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Automotive News

June 13, 1988

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GM calendar says product time is now

Styling, engines take center stage

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chairman Roger B. Smith and President Robert Stempel like to say the payoff time is near at General Mofors.

Billions have been spent for factories and billions more for the auto giant's conversion to front-wheel drive.

Now it's time for the product teams to get the money — for distinctive models that Smith and Stempel hope will never again be referred to as cookie-cutter designs, and for technology that consumers can see, feel and touch.

It shouldn't take long for the market to judge how successful GM will be in this endeavor; in the 1989 and 1990 model years combined, GM brags, it will have introduced more new models than in any two model years in its history. Even though the 1988 model year was stretched to nine months for Chevrolet's Beretta and Corsica, it is still a hearty showing for a company that will have to compete with strong new-product assaults next year from Ford Motor Co. and overseas competitors.

GM will allocate the majority of its product spending over the next five years to its design studios and engineering centers, which are developing new engines, enhancing existing ones and developing new technologies.

For the past year, GM executives have been telling the world that GM will cut back on capital spending, which soared to a record $11.7 billion in 1986. Annual capital spending through the end of the decade is expected to be less than 1987's $7.1 billion.

At the same time, they say GM will spend more from the 1988 to the 1992 model years on product programs than in any five-year period in history.

The Chevrolet Corsica and Beretta, the new full-size trucks and the GM10 program account for the biggest chunk of the five-year product spending plan.

Even though the GM10 program was scaled back and model introductions stretched over a longer period of time than originally planned, it still amounted to a $5 billion program, the largest in GM's history. And the original estimate of $7 billion could still be reached by the time Chevrolet's sedan and coupe and the other divisions' sedans are introduced as 1990 models, and other models built off the GM10 platform are introduced in the next five years.

see GM, page 16

McCurry: Toyota truck plant to be "in the Midwest"

Toyota sees sales surge, plans big U.S. truck plant

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

TORRANCE, Calif. — A new U.S. truck plant capable of producing up to 300,000 units annually is expected to help Toyota Motor Sales reach U.S. sales volume of 1.3 million vehicles a year by the early 1990s.

Toyota will use North American transplants to produce nearly half of the vehicles it sells in the United States and, as part of the program, is "Americanizing" its operations here. That drive has sparked the selection of Robert B. McCurry as the first non-Japanese board member of Toyota's U.S. sales subsidiary, as well as his recent promotion to executive vice president.

The expansion of senior management at Toyota Motor Sales is in preparation for the rapid sales growth Toyota is expecting as new assembly facilities in Kentucky and Ontario, Canada, gradually increase to full production. The Kentucky plant recently started building Camry models, and the Canadian plant will assemble Corolla sedans later this year.

U.S. capacity could double when the expected U.S. truck assembly plant is in operation. McCurry said an announcement on the site is "imminent."

Analysts expect Toyota to move up into the compact-pickup market with the new U.S. model. Early indications are the truck may be in the Dodge Dakota class and be powered by a V-6 engine.

Despite speculation that Toyota was pressuring its General Motors partner to build the trucks at their NUMMI plant in California, McCurry said the plant will be located somewhere "in the Midwest." One likely site, observers said, would be on the large tract of land Toyota owns near its present auto manufacturing plant in Georgetown, Ky. McCurry said the new plant would build all trucks for the U.S. market, including the 4Runner. It will be a large plant, he added.

see McCURRY, page 60

ALEX LAW

The van Essen brothers, Tom, left, and Walter export cars from Canada like this Ford Probe

SECRET SALES: *Canadian exports to U.S. targeted*

By Alex Law
SPECIAL CORRESPONDENT

TORONTO — While claiming they only deal by the book, some Canadian dealers have been secretly selling cars to brokers who export them to the United States and Europe. Business has been so brisk that the Big 3 are clamping down hard and the Canadian government is investigating whether the automakers have gone too far.

As many as 50,000 cars a year have been leaving the country as Canadian dealers look to unload inventory snapped up by buyers seeking exchange-rate bargains.

Efforts by manufacturers to stem the outflow of vehicles, dealers charge, include threatening to cancel franchises, assessing chargebacks greater than their profit on the deals, and compiling blacklists of names used to acquire cars that surface in the United States or Europe.

In response, some dealers have been secretly providing brokers inventory lists and

see SECRET SALES, page 59

Olds promo: McHit or McFlop?

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Oldsmobile ended its estimated $30 million promotion with the McDonald's Corp. hamburger chain last week, and some of the division's dealers are already calling the promotion an expensive flop.

But Oldsmobile officials said the promotion, which gave away hundreds of new Cutlass Supremes as prizes in McDonald's $110 million Monopoly game and through Oldsmobile dealers, attracted more than 750,000 people into Oldsmobile showrooms and gave the car unprecedented exposure to young, upscale buyers. The program began April 1 and ended June 9.

"In the next six months, I think you'll see some of the effects of the McDonald's promotion in terms of Cutlass Supreme sales," said Warren Christell, Oldsmobile general marketing manager.

see CUTLASS, page 60

Air, money, empty: Which bags will fill from patent claim?

Wisconsin entrepreneur seeks cash from giants

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

James A. Kieren may have discovered a gold mine. Or just a can of worms.

The chairman and president of an obscure Wisconsin-based electronics firm, HAI Acquiring Co., found what might be an unanticipated bonus in another small Wisconsin company he acquired two years ago — patents that just might apply to the explosive devices that cause auto air bags to deploy.

It's too early to know for sure. And at least one major air-bag component maker scoffs at the claim.

But one thing for certain is that Kieren acquired a slew of idle patents dating back to the early 1970s, when serious research on air bags began. And Kieren contends that some air-bag component manufacturers, including industry giants Morton Thiokol and Arizona-based Talley Industries Inc., are infringing on those patents.

Kieren has warned them and a number of automakers in a letter that the company will ask for an injunction soon that would bar the sale of air-bag systems on domestic and imported vehicles.

Kieren's patent lawyer isn't so sure about the patents' validity, until research on the patents comes in, but his client is wasting little time.

"We realize that this action may create a certain amount of hardship for certain 1989 model lines, but it is the only course of action appropriate at this time," Kieren said in the letter, a copy of which was sent to Automotive News.

However, Talley, which produces air-bag propellants, inflator housings and modules for Ford Motor Co., General Motors and Honda, denies that Kieren has a claim against it.

A Talley spokesman said Kieren contacted the firm only a week ago with his patent claims. The company reviewed them and believes Kieren's claims are unsubstantiated, he said.

"His patents cover compositions we don't use and

see PATENTS, page 60

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Saab tells U.S. dealers sales will rebound in '89 Page 6

New-vehicle supplies slip back to 59 days Page 62

Audi tries to settle class suit

Rebates offered for resale losses

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

Audi owners who sued the company over lost resale value as a result of allegations of sudden acceleration will be offered rebates in a proposed settlement of the class action lawsuit filed in Chicago.

Owners and past owners of 1978-1986 Audi 5000 models will be offered rebates ranging from $300 to $2,000 if they choose not to opt out of the settlement and if the deal is approved by Cook County Circuit Judge Harold A. Siegan July 26.

Lawyers from three firms that brought separate class actions, which were later consolidated into one case, said they could not prove that any defect causes sudden acceleration and opted for the settlement. The three firms, Holstein, Mack & Dupree, Lawrence Walner & Associates Ltd. and Lisco & Field, are all in Chicago.

An Audi spokesman said the agreement "fundamentally vindicates the Audi 5000. The plaintiffs have been unable to identify in the class of vehicles any defect."

However, Mark Steinbach, Washington attorney representing the Audi Victims Network, said he plans to object to the proposal in Chicago on July 26. He called it a "rich man's settlement" since no one receives any money unless he buys a new luxury car.

The proposed settlement dovetails with Audi's current offering of rebates and promises to keep resale values up. Meanwhile, Audi raised prices an average of 4.3 percent last October and an average of 3 percent in May on its 5000 models.

Current owners and lessees and former owners and lessees of 1978-1986 Audi 5000 models with automatic transmissions — estimated at about 391,000 — would be bound by the settlement unless they either opt out of the class action suit or they send written notices by July 5 of objections they plan to make at the July 26 hearing.

see AUDI, page 60

AUTOMOTIVE NEWS JOE WILSKER

Workers at Michigan's Cars & Concepts strike for better wages

No Mustang soft tops

Strike at Cars & Concepts halts output

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

BRIGHTON, Mich. — The sun is out, but dealers and ragtop buffs may have a longer-than-usual wait for their Mustang convertibles this spring.

Production workers who customize the hot-selling Ford Mustang convertible continued their strike against Cars & Concepts late Friday after negotiators failed to agree on the plant's first UAW contract.

The workers want higher wages and a right-to-strike clause.

The Mustang was the best-selling convertible in the 1987 model year, with about 21,000 units sold. Ford Motor Co. plans to build a little over 33,000 Mustang convertible chassis at its Dearborn, Mich., plant in the 1988-model year, a Ford spokesman said.

Since January, about 14,260 Mustang convertibles have been sold, he said.

Ford dealers said a strike would not greatly affect sales because customers are used to waiting several months for delivery.

Before the walkout, the production rate was 180 cars a day.

The Brighton facility also builds the Pontiac Fiero T-top and customizes the Cadillac Seville and the Buick Skylark, Riviera and Park Avenue.

It is also making adjustments this year on about 10,000-15,000 Chrysler models to meet European export requirements.

Last December, Cars & Concepts workers became the first workers at a vehicle customizing facility to vote to join the union. Bargainers from the company and newly formed UAW local 4077 began contract negotiations in April.

Talks broke off last Wednesday. They resumed Friday afternoon.

Richard Calmes, Cars & Concepts senior vice president of human relations and public affairs and the company's top negotiator, said, "There is no animosity, there are just disagreements."

Calmes said the company made "a fair and competitive offer, far in excess of what they (the workers) have enjoyed in the past. We have to be attractive to Ford and GM as a source. If we are running at the same level they are, they might as well do the work themselves."

The average Ford assembler makes about $14 an hour. A beginning assembler at Cars & Concepts now makes $4.50 an hour, with increases to $5.90 per hour after one year. After 10 years, the wage is $10.50 per hour, but many workers leave after a short time because of the low wages, said Jesse McComas, chairman of Local 4077's bargaining committee. There was a turnover of about 800 workers last year, McComas added.

Penske, Gelco link truck leasing firms

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Penske Corp.'s decision to enter a joint venture with GE Capital's Gelco truck-leasing unit will take Hertz Corp. out of the truck-leasing business and make Penske's operation a more formidable rival to industry leader Ryder Systems Inc.

GE Capital announced last week it will enter a joint venture combining its newly acquired Gelco truck-leasing business with Hertz Penske truck leasing.

Penske followed the announcement by saying the company will exercise its right to buy out Hertz's 50 percent stake in order to merge with Gelco. Terms of the deal will not be complete until next month. A study including the name and headquarters for the new company is still under way, according to Dan Luginbuhl, Penske Corp. vice president for communications.

GE Capital said the joint venture will create a "national full-service truck leasing and rental company" with combined assets of $1.5 billion and revenues of approximately $750 million. It will employ about 5,500 people.

The combination will leave the Penske-Gelco truck-leasing business in the No. 2 spot in the industry with 56,000 vehicles. Ryder estimates its fleet at over 50,000 in leasing and an additional 50,000 in the daily-rental market. But more important than the overall size of Ryder vs. Penske-Gelco will be their ability to dominate in different segments of the truck-leasing market.

The Penske-Gelco combination could surpass Ryder in the leasing of larger classes of trucks and equipment, where Gelco has tended to concentrate.

Gelco was purchased by GE Capital in October. Minneapolis-based Gelco provides full-service truck leasing, rental and a variety of motor freight transportation services to commercial clients across the country.

The company operates 14,000 vehicles. Its services include vehicle engineering, fleet acquisition, financing, obtaining permits and licenses, complete maintenance, and fuel and safety programs. Gelco operates 139 truck maintenance centers.

Hertz Penske, based in Red Bank, N.J., is the No. 2 truck-leasing company in the United States with 42,000 vehicles. Like Gelco, it is a full-service commercial truck leasing company, but specializes in one-way consumer truck rentals. It operates a nation-wide network of 267 service facilities. In combination with Gelco, the companies will have more than 400 locations nationwide.

Penske's decision last year to purchase a controlling share of General Motors' troubled Detroit Diesel Allison Division and form Detroit Diesel Corp. could also prove an asset in the leasing of heavy-duty trucks. Penske-Gelco could be the first truck fleet to put the Series 60 engine into wide use.

While Penske's Luginbuhl said this could happen, he said the engine maker "will have to compete at arm's length for business like everybody else. That means on the basis of price, quality, everything."

Penske Corp.'s decision to terminate its relationship with Hertz led to speculation last week that Roger Penske was uncomfortable with Ford Motor Co.'s newly acquired stake in Hertz. Nothing could be further from the truth, according to Luginbuhl.

Although Penske has long been associated with GM through his motorsports activities and through the ownership of several GM dealerships, Penske's decision to leave Hertz was "purely coincidental," Luginbuhl said.

"Penske has different relationships with a range of automobile manufacturers," he added. It should also be noted that Penske's new partner, GE Capital, is linked to Ford through the joint ownership of Capital Auto Auctions.

Roger Penske, who will serve as chairman and chief executive officer of the new company, said last week, "Penske Corp.'s goal continues to be the holding of leadership positions in the transportation industry, and all our customers and employees will receive the benefits of this new corporation."

Brian Hard, Hertz Penske executive vice president, will serve as president and chief operating officer of the new company.

GE Capital is based in Fairfield, Conn. The company is a major source of automobile financing and operates GE Capital Fleet Services, the largest fleet and leasing company in the nation.

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World Congress features analysts

DETROIT — Four market researchers and analysts will share their views of the industry during the 13th annual Automotive News World Congress at the Westin Hotel, July 17-20.

They are: Ronald A. Glantz, a general partner of Montgomery Securities, an investment banking firm based in San Francisco; Gregory M. Macosko, a principal with Easton Consultants, Stamford, Conn.; James A. Mateyka, vice president of Booz, Allen & Hamilton, Washington; and J. David Power III, president of J.D. Power and Associates, Agoura Hills, Calif.

Power has spent more than 25 years in the auto industry, the past 19 as head of an automotive marketing research firm. The company numbers among its clients virtually every auto manufacturer and importer serving the U.S. market.

In his World Congress presentation, he will discuss and predict car-buying behavior and emerging market trends in the United States.

Mateyka, who specializes in worldwide automotive industry consulting, has nearly 25 years' experience in the automotive and aerospace industries.

He has also served as an advisor on automotive issues to the U.S., Canadian, Dutch and Mexican governments and the World Bank.

Macosko entered the consulting field eight years ago. At the World Congress, he will discuss the nature and depth of Japanese automotive manufacturers' penetration of the U.S. market. He will define business issues, from both a domestic and Japanese perspective, that contribute to misunderstandings.

Glantz joined Montgomery Securities in 1985, following 12 years at Paine Webber.

Prior to that, he was chief economist at Laird Inc.; a consultant with Booz, Allen & Hamilton; and an economist on the staff of the secretary of the treasury, where he served as Japanese desk officer in the Office of International Affairs.

Power, Macosko and Mateyka will address the World Congress on Monday, July 18, at 2 p.m., 2:50 p.m. and 3:45 p.m., respectively. Glantz will speak on Wednesday, July 20, at 11:15 a.m.

The World Congress will begin with General Motors President Robert C. Stempel's State of the Industry keynote address on Sunday, July 17, at 7:45 p.m.

For further information, write Automotive News World Congress, 1400 Woodbridge, Detroit, MI 48207 or telephone 313-446-6047. The cable address is TWX 810-221-5122 AUTNEW DET.

Chevy expects truck sales to cut car gap

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

WARREN, Mich. — Chevrolet is looking for another 15 million new-vehicle market in the 1989 model year and a bigger shift of its own sales into trucks.

Michael Erdman, Chevrolet general marketing manager, sees 10 million car sales and 5 million truck sales in the 1989 model year, about the same as the projected 1988 totals.

Erdman described current truck demand as "spectacular," saying sales will exceed five million in the 1988 model year, possibly reaching 5.2 to 5.3 million.

Chevrolet is gearing for about 1.4 to 1.5 million truck sales in the

see ERDMAN, page 62

New line of axles for Eaton

ANAHEIM, Calif. — At the International Trucking Show, Eaton Corp. introduced new trailer axles, a new medium-duty truck transmission and a new driveline warranty. It also announced the start of a professional truck driver school.

The new series of trailer axles from Eaton's axle and brake division, Galesburg, Mich., provides extended trailer brake service life and lower operating costs, company officials said.

Eaton said the brakes mounted on the axles have 40 percent more lining and a new proprietary, non-asbestos lining material that wears 25 percent longer than other premium non-asbestos linings.

The result, the company said, is a brake that provides a 75 percent improvement in miles between relines, which reduces lifetime maintenance costs.

Eaton's transmission division, Kalamazoo, Mich., introduced its latest mid-range transmission, the Fuller RT-7608LL, for medium-duty construction trucks.

Bill Parker, marketing manager for the division, said the company's Lo-Lo type transmission has been popular in the heavy-duty construction market for many years.

"We saw a need for a similar set of ratios in a mid-range diesel powertrain," Parker added.

The RT-7608LL is intended to eventually replace the RT-6613 as Eaton's offering in that market.

Parker said the RT-6613 was originally designed for gasoline engines.

Its short steps between gears were important for good performance in a gas engine, but aren't necessary with today's mid-range diesels, he said.

The RT-7608LL has two low gears of about 12:1 and 18:1 ratios in both forward and reverse. It has a typical gear step of about 35 percent, designed for mid-range diesel engines.

Officials said truck operators would appreciate the fewer gears and progressive "H" shift pattern, especially in urban driving.

Eaton also has a new Golden All-Roadranger Drivetrain Protection Plan, providing complete parts and labor coverage on Eaton drivetrain components for five years or 500,000 miles. It is an extra-cost option.

Covered under the warranty are Roadranger transmissions, Eaton drive axles and Eaton brakes.

The Eaton truck components marketing division has established a new program to train professional truck drivers.

The Eaton Roadranger Training Institute will open its first facility in Kalamazoo later this year and will feature a full array of training equipment and a driving course for practice.

The curriculum will include classroom instruction, practice, the driving course and direct experience on interstate highways and other roads.

The curriculum is being developed with help from the Department of Transportation, the newly formed Professional Truck Driver Institute of America and representatives of major trucking fleets.

— Robert Deierlein

LIGHT-DUTY TRUCK SALES

	May 1988	May 1987	5 Mos. 1988	5 Mos. 1987
Vans	17,307	16,203	81,507	75,396
Aerostar	17,047	15,085	80,172	63,563
Club Wagon	2,913	2,623	12,354	12,100
Ranger	26,121	28,663	126,127	135,782
Bronco	4,619	4,372	23,025	20,739
Bronco II	10,781	9,321	50,180	44,520
Pickups	55,180	49,193	258,107	222,803
Ford	**133,968**	**125,460**	**631,472**	**574,903**
Vans	12,891	10,173	57,969	42,957
Sportsvan	1,495	947	6,779	5,215
Astro	16,182	14,226	71,002	59,250
S-10	20,320	18,864	99,647	93,406
S-10 Blazer	17,666	11,072	67,596	58,448
El Camino	15	1,168	405	5,370
Blazer	2,707	2,171	12,642	11,836
Suburban	6,562	4,901	27,493	21,339
Pickups	44,888	35,889	215,268	167,061
Chevrolet	**122,726**	**99,413**	**559,311**	**484,882**
Vans	5,358	6,676	26,373	27,803
Ram Wagon	2,481	3,025	11,636	13,128
Voyager	21,710	13,422	83,383	48,236
Caravan	22,295	13,738	90,338	51,575
Mini Ram Van	2,176	1,034	8,201	5,502
Ram 50	5,577	4,999	27,038	26,896
Raider	483	1,700	2,944	7,127
Ramcharger	1,373	1,836	8,809	10,199
Dakota	8,512	9,498	41,648	42,135
Pickups	8,345	7,360	38,508	41,987
Chrysler	**78,310**	**63,288**	**338,875**	**278,588**
Vans	5,589	2,908	21,156	15,627
Safari	4,096	2,894	14,708	12,776
S-15	4,736	3,809	21,200	19,701
S-15 Jimmy	4,802	2,500	16,381	14,271
Jimmy	854	644	3,498	3,289
Caballero	1	121	56	667
Suburban	2,692	1,892	9,799	7,675
Pickups	13,272	9,405	59,925	45,204
P Model	315	281	1,781	2,387
W-4	109	123	584	572
GMC	**36,766**	**24,577**	**149,089**	**122,169**
Wrangler/CJ	4,469	2,746	16,860	11,765
Wagoneer	695	1,021	3,789	5,196
Cherokee	12,044	8,727	57,764	42,594
Grand Wagoneer	1,061	937	5,333	5,193
Comanche	3,846	3,556	17,298	15,737
J-10/J-20	101	159	221	641
Jeep	**22,216**	**17,146**	**101,265**	**81,126**
Toyota	23,714	32,886	100,848	129,573
Nissan	14,310	15,853	69,916	92,464
Mazda	8,936	10,701	44,449	49,339
Isuzu	6,781	7,104	31,642	38,491
Mitsubishi	3,705	4,647	20,815	20,379
Suzuki	6,074	6,491	29,022	35,433
Subaru	0	96	9	935
Range Rover	222	220	1,367	469
Imports	**63,742**	**77,998**	**298,068**	**367,083**
Industry Total	**457,728**	**407,862**	**2,078,080**	**1,886,761**

Compiled by Karen Dedlowski

Model-year sales head for 5 million

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

With light-truck sales setting a record in May, the total truck industry is now poised to sell well over five million units in the 1988 model year.

For eight months of the 1988 model year, light-duty manufacturers have retailed 3,190,819 trucks in the United States, up 7.78 percent from 2,960,603 in like 1987. The industry retailed a total of 4,959,870 trucks in the 1987 model year.

However, while the domestic manufacturers chalked up record totals in May, their import competitors continued to suffer sales declines. Their market share fell to less than 14 percent in May.

In total, light-truck manufacturers retailed 457,728 vehicles in May, a new monthly high that was 12.22 percent ahead of last year's 407,882.

For the first five months of the calendar year, the sales total of 2,078,080 light trucks was 10.14 percent above 1987's 1,886,761, the previous high.

Detroit-based manufacturers picked up more than 5 percentage points of market share in May, capturing 86.07 percent of the light-truck market, compared with 80.88 percent in the corresponding period last year.

Foreign-based manufacturers' share, by contrast, shrank to 13.93 percent from 19.12 percent a year earlier.

Foreign manufacturers held 14.34 percent of the market for the first five months of the calendar year, with Detroit-based firms holding 85.66 percent.

In May, domestic manufacturers recorded 393,986 sales, up 19.43 percent from a year earlier. Foreign manufacturers, with 63,742 sales, had an 18.28 percent decline from 77,998 in like 1987.

Among the major manufacturers, GMC had the biggest May increase on a percentage basis. Its sales of 36,766 light trucks were up 49.60 percent from a year earlier.

For five months, GMC had a total of 149,089, up 22.04 percent from 122,169 in the 1987 period.

Chevrolet similarly showed signs of increasing momentum.

Its May light-duty sales of 122,726 were up 23.45 percent from a year ago, while its five-month sales of 559,311 were up 20.31 percent.

All of Chevrolet's vehicle lines were up, with the full-sized C/K pickups and the S-10 Blazers providing its largest unit volume gains.

Ford lost a little of its momentum last month. Producing at maximum capacity, Ford is short of product in some of its lines.

In May, Ford recorded sales of 133,968 light trucks, up 6.78 percent from 125,460 a year earlier.

Ford had increases in all its truck lines last month, except for the compact Ranger pickup. Ranger has been running behind year-ago totals for several months.

For five months, Ford's sales of 631,472 light-duty vehicles were up 9.84 percent from the comparable year-earlier period.

Chrysler, continuing to draw heavily on the strength of its minivans, had a 23.74 percent gain in May on sales of 78,310 light-duty trucks. For five months, its sales of 338,475 were up 22.38 percent.

Jeep also continued to gain strength with May sales of 22,216, up from 17,146 a year ago. Jeep retailed a record 101,265 trucks in five months, up from 81,126 last year.

Cummins adds diesel

C-series engine has 250 hp, high torque

ANAHEIM, Calif. — Cummins Engine Co. has made its C-series diesel engine with ratings of up to 250 horsepower available to the automotive market.

Seperately, Cummins also received a BAA3 rating on a major new subordinated debt issue from Moody's Investor Service, New York.

The company's 6CTS-250, rated at 250 hp at 2,200 rpm, supplies the highest peak torque in its class, 728 pounds-feet at 1,500 rpm, according to Laura Wenzler, Cummins manager of automotive marketing.

Its design incorporates direct fuel injection, turbocharging and aftercooling to maximize fuel economy and performance.

Cummins C-series engines with 225 hp or less are backed by a 2-year/unlimited-mileage warranty, while those with more than 225 hp have a 2-year/100,000-mile warranty. Optional extended coverage of up to 5 years/250,000 miles is also available.

Cummins also expanded its Big Cam IV engine line with a special fleet-rated high-horsepower, high-performance engine called the Fleet 285.

The modified engine delivers 1,150 pounds-feet of peak torque at 1,100 rpm. The engine can be uprated to increase trade-in value. A modification to the turbocharger, injector, timing gasket and fuel pump code will boost horsepower from 285 to 315 or 350.

The new engine is backed by a 2-year/100,000-mile base warranty. A Customized Assurance Plan, geared to various engine repair warranty needs, is available.

Meanwhile, Moody's assigned a BAA3 rating to a $275 million subordinated debt issue from Cummins.

The rating acknowledges the company's strong market position in heavy-duty diesel engines and its continuing efforts to boost sales and improve cost efficiency.

Moody's said it expects Cummins' operating results to improve in the intermediate and longer terms.

Moody's pointed out that Cummins has a dominant position in heavy duty diesel engines, with a 55 percent market share and a growing position in medium duty engines.

However, the company's restructuring has resulted in production inefficiencies that have weakened operating results, Moody's said.

— Robert Deierlein

HME moves to Michigan
HME Inc. (formerly Hendrickson Mobile Equipment) has moved its custom truck manufacturing and parts operation from Lyons, Ill., to Wyoming, Mich. In addition to its heavy-duty long-nose conventional chassis, HME produces specialty vehicles for drill rig chassis, crane carriers, yard-spotting tractors, bus and RV chassis.

NHTSA due to act on light-truck safety

WASHINGTON — As summer approaches, NHTSA is preparing for a flurry of rulemaking activity that is concerned with the safety of light trucks.

Areas to be addressed include head restraints, side-door strength, roof crush protection and the installation of shoulder belts in the rear seats of cars and multipurpose vehicles.

The agency's agenda on light-truck safety was published in a report prepared for the House and Senate appropriations committees.

NHTSA said it will publish a notice of proposed rulemaking on "light-truck safety problems involving head restraints" in "spring 1988." The last day of spring is June 19.

The agency also said it will make a "rulemaking decision on rear-seat shoulder belts in passenger cars and light trucks" this month.

SALES

DOMESTIC CAR SALES

	May 21-31, 1988	May 21-31, 1987	May 1988	May 1987	Jan. 1-May 31, 1988	Jan. 1-May 31, 1987
Alliance	100	1,389	450	2,550	3,440	11,803
Eagle	251	174	333	324	1,382	1,787
Premier	1,618	0	4,249	0	14,017	0
Total Eagle	1,969	1,563	5,032	2,893	19,849	13,390
Horizon	2,038	1,743	5,156	4,766	21,853	30,965
Sundance	2,799	3,551	7,827	8,978	33,166	30,926
Turismo	361	444	447	1,089	1,116	10,942
Reliant	3,563	2,804	10,085	8,014	57,506	46,640
Caravelle	304	1,137	1,526	2,872	9,171	15,477
Gran Fury	408	507	1,328	1,028	5,089	2,841
Total Plymouth	9,793	10,196	25,196	26,757	136,510	136,820
Laser	0	492	0	575	0	3,336
LeBaron K	615	2,284	2,179	6,580	12,613	23,555
LeBaron J	3,347	2,240	8,859	5,005	47,528	19,940
LeBaron GTS	490	923	1,398	2,546	7,389	15,205
Fifth Avenue	841	1,340	2,355	3,250	24,570	17,276
New Yorker C	2,378	0	7,099	0	25,182	0
New Yorker E	359	1,245	784	5,883	14,187	24,601
Total Chrysler	7,830	9,124	22,636	23,592	131,489	103,842
Omni	1,945	1,310	5,189	3,557	20,721	25,372
Shadow	3,467	3,577	8,945	8,899	36,277	28,310
Charger	320	452	373	1,130	1,022	14,702
Daytona	2,850	1,556	7,399	3,643	32,872	12,231
Aries	3,384	2,844	9,075	7,690	30,422	41,996
Lancer	310	647	912	1,783	4,848	11,717
Diplomat	753	411	2,426	1,064	10,174	4,137
Dynasty	2,089	0	6,540	0	29,588	0
Dodge 600	553	1,233	1,455	2,862	8,329	15,083
Total Dodge	15,671	12,232	42,584	30,599	196,253	153,557
CHRYSLER MOTORS	35,253	33,115	96,420	83,838	475,061	407,809
Escort	13,395	14,547	32,781	35,198	153,483	184,877
Mustang	5,629	6,324	17,015	15,724	83,979	80,186
Tempo	9,512	8,131	25,000	21,163	119,921	104,952
Taurus	14,148	11,324	39,436	30,299	174,173	143,481
Thunderbird	4,399	4,006	12,351	10,339	57,099	46,631
Probe	2,737	0	6,192	0	11,947	0
Crown Victoria	3,906	4,496	11,233	12,342	51,982	51,593
Total Ford Div.	53,997	48,828	144,008	125,062	652,524	583,702
Lynx/Tracer	1,916	2,627	4,880	5,957	25,815	25,241
Topaz	3,075	1,934	7,589	6,275	35,356	30,429
Sable	5,514	3,041	12,377	7,883	54,407	38,741
Cougar	4,134	3,544	10,474	9,656	49,525	42,047
Grand Marquis	4,128	3,895	10,377	10,672	49,348	44,560
Total Mercury	18,767	15,041	45,698	40,253	214,451	183,519
Continental	1,417	437	3,710	1,189	17,795	5,974
Lincoln	4,898	3,856	11,444	11,269	52,138	47,803
Mark VII	661	987	1,785	2,555	9,429	10,771
Total Lincoln	6,976	5,280	16,939	15,013	79,360	64,548
Total L-M Division	25,743	20,321	62,607	55,266	293,811	248,067
FORD MOTOR CO.	79,650	69,149	206,615	180,328	946,335	831,769
Skyhawk	1,054	1,228	2,392	3,372	13,779	15,303
Somerset Regal	3,080	1,946	6,336	5,011	25,530	30,174
Century	4,341	4,029	10,243	10,394	48,786	62,596
Regal	4,849	1,425	11,637	3,874	51,353	20,770
LeSabre	4,876	3,556	12,341	9,125	67,354	53,411
Reatta	151	0	363	0	1,186	0
Electra	2,578	2,015	6,093	3,292	34,353	29,648
Riviera	274	401	716	1,082	4,465	9,801
Total Buick	21,203	14,599	50,123	36,150	246,786	221,703
Cimarron	253	454	693	1,275	3,207	5,576
Allante	109	82	320	281	1,454	856
Seville	757	573	1,836	1,884	8,813	10,593
Cadillac	7,986	5,885	16,566	16,030	85,023	80,933
Eldorado	1,071	557	2,692	1,647	11,953	8,422
Total Cadillac	10,156	7,531	24,107	23,097	110,450	106,382
Chevette	5	282	17	1,040	178	14,839
Nova	2,846	5,963	8,834	16,104	53,859	53,377
Cavalier	11,349	7,500	29,065	19,537	125,538	144,934
Camaro	3,984	4,151	10,408	10,837	42,970	57,144
Celebrity	8,433	10,911	23,287	28,172	116,471	152,355
Corsica/Beretta	16,116	9,542	40,591	22,290	178,139	48,402
Monte Carlo	1,243	2,265	3,366	6,048	18,582	25,554
Chevrolet	6,361	5,427	18,014	15,986	72,229	74,068
Corvette	987	946	2,483	2,564	11,117	10,787
Total Chevrolet	51,324	46,987	136,065	122,558	619,082	581,460
Firenza	696	515	1,054	1,434	6,186	6,845
Calais	3,953	3,867	9,666	8,862	43,716	44,574
Cutlass Ciera	7,439	8,610	19,392	19,823	97,190	107,742
Cutlass Supreme	3,965	2,620	8,965	7,015	44,261	46,932
Olds 88	5,434	7,015	15,892	15,258	77,434	74,052
Olds 98	2,130	2,479	5,892	6,205	32,299	27,999
Toronado	625	758	1,419	1,860	7,016	7,818
Total Oldsmobile	24,242	25,864	62,100	60,477	306,102	315,962
Fiero	1,608	1,591	3,096	5,072	13,071	22,457
1000	31	112	36	433	154	3,922
Sunbird	3,597	2,830	8,596	7,127	36,176	36,079
Firebird	2,170	3,226	5,852	8,554	27,577	34,509
Grand Am	9,016	8,323	21,726	19,808	102,806	91,382
6000	3,718	3,836	9,543	10,191	43,871	53,913
Grand Prix	3,509	396	8,783	1,284	35,444	8,176
Bonneville H	4,514	0	11,191	0	52,850	0
Paris./Safari	329	3,355	696	8,355	3,224	42,996
Total Pontiac	28,469	23,669	69,501	60,802	314,975	295,404
GENERAL MOTORS	135,414	118,450	341,896	304,884	1,599,397	1,520,901
HONDA	19,669	15,003	34,801	26,005	154,827	129,795
Civic	5,623	4,484	9,604	7,567	39,170	39,806
Accord	14,066	10,519	25,197	18,438	115,657	89,990
MAZDA	1,391	0	2,819	0	11,098	0
NISSAN	4,971	7,174	9,772	14,923	39,042	51,072
TOYOTA	2,567	2,639	5,100	4,463	22,153	15,696
VOLKSWAGEN	2,457	4,516	4,564	7,882	20,638	28,956
DOMESTIC TOTAL	281,392	250,045	701,987	622,303	3,267,569	2,965,798
IMPORT TOTAL	0	0	268,906	260,393	1,250,032	1,161,916
INDUSTRY TOTAL	0	0	970,893	882,696	4,517,601	4,147,716

Domestics lead May sales upturn

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Retail sales of new cars rose 10 percent in May as a result of a strong performance by domestic models.

Sales of domestic and imported cars totaled 970,893 units compared with 882,696 in May 1987. The month's total was boosted by two stellar 10-day sales periods for domestic models with gains of 12 and 35 percent.

Domestic sales in May this year were 701,987, up 12.80 percent over last May's 622,303. There were 268,906 imported cars delivered in May this year compared with 260,393 last year, an increase of 3.27 percent.

Where the U.S. market was, May 1988

	Total Sales	Pct. of Total
SUBCOMPACT	81,700	8.42
COMPACT	198,760	20.47
INTERMEDIATE	287,500	29.62
STANDARD	127,848	13.15
SPECIALITY	6,292	0.64
IMPORT	268,906	27.70
TOTAL	970,893	100.00

The daily selling rate in May this year averaged 38,836 units compared with 35,308 a year ago. There were 25 selling days in May both years.

The Big 3 reported sales increases of 12 percent to 15 percent in May. Aggressive marketing and rebates helped Chrysler Motors sell 96,420 units for a 15.00 percent gain.

Even though the second quarter's incentives are lighter, they account for about 3-5 percent of total car sales, according to Scott Merlis, auto analyst for Morgan Stanley of New York.

Ford Motor Co. delivered 14.58 percent more cars in May than it did a year ago, and General Motors' sales were up 12.14 percent.

Two transplant companies reported sales gains and two reported declines in May. Honda's sales of U.S.-built cars rose 33.82 percent over last year's, and Toyota's transplant sales were up 14.27 percent. Mazda, which was not building cars here a year ago, sold 2,819 cars in May.

Nissan's sales were down 34.52 percent compared with a year ago, and Volkswagen's sales dropped 41.95 percent.

In terms of market share, imports took 27.70 percent of sales in May compared with 29.50 percent a year ago.

Toyota led the imports by delivering 57,917 units in May for a 14.29 percent increase. Honda's total imported car sales declined 14.60 percent, although its Acura Division reported a 13.14 sales rise. Mazda's sales of imported cars in May climbed 33.93 percent over the year-ago total.

The Big 3's captive imports also reported sales gains in May over a year ago. The total was 35,862, up 58.79 percent over last year's 22,584. New entries from Ford Division and Pontiac accounted for most of the increase.

Sales of domestic cars for May 21-31 totaled 281,392, an increase of 12.54 percent over 250,045 last year. The Big 3 and Honda were up; VW, Nissan and Toyota reported declines.

IMPORTED CAR SALES

	May 1988	May 1987	5 Mos. 1988	5 Mos. 1987
Acura	10,818	9,562	49,813	40,562
Alfa Romeo	336	637	2,223	2,765
Audi	1,984	5,536	9,311	16,972
BMW	5,742	7,790	28,633	35,276
Chevrolet	11,086	9,294	51,089	49,265
Chrysler	1,154	1,030	4,356	5,149
Daihatsu	921	0	4,261	0
Dodge	4,979	4,418	23,893	22,339
Ford	5,699	1,102	29,182	1,453
Eagle	696	1,477	7,889	9,778
Honda	19,831	29,325	99,373	110,588
Hyundai	24,299	22,383	120,452	99,867
Isuzu	2,379	3,271	8,807	11,713
Jaguar	1,809	2,304	7,969	7,832
Maserati	83	87	430	429
Mazda	30,263	15,129	95,919	69,429
Mercedes-Benz	8,289	8,287	35,912	38,138
Mercury	1,365	1,045	4,579	3,701
Mitsubishi	6,415	6,046	28,742	28,392
Nissan	29,752	25,732	153,112	174,271
Peugeot	756	706	2,714	3,685
Plymouth	4,676	4,218	21,588	21,081
Pontiac	6,237	0	26,950	0
Porsche	1,304	2,473	7,253	10,624
Saab	3,107	3,897	15,705	17,808
Sterling	832	1,022	4,232	5,221
Subaru	12,991	16,222	80,724	63,267
Toyota	57,917	50,677	228,572	195,133
Volkswagen	12,906	15,206	61,249	50,042
Volvo	8,369	10,402	40,488	52,881
Yugo	2,510	4,111	14,531	22,272
TOTAL	268,906	260,393	1,250,032	1,161,916

Sales data compiled by Ward Data

U.S. CAR SALES BY MARKETING UNITS

	May 1988	Percent Share	May 1987	Percent Share	5 Mos. 1988	Percent Share	5 Mos. 1987	Percent Share
Alfa Romeo	336	0.03	637	0.07	2,223	0.05	2,765	0.07
American Honda	65,450	6.74	61,862	7.01	304,113	6.73	280,946	6.77
BMW	5,742	0.59	7,790	0.88	28,633	0.63	35,276	0.85
Buick	50,123	5.16	36,150	4.32	246,786	5.46	221,703	5.35
Cadillac	24,107	2.48	23,097	2.62	110,450	2.44	106,382	2.56
Chevrolet	147,161	15.16	131,852	14.94	670,151	14.83	630,725	15.21
Chrysler	23,790	2.45	24,629	2.79	135,825	3.01	108,862	2.63
Daihatsu	921	0.09	0	0.00	4,261	0.09	0	0.00
Dodge	47,563	4.90	35,017	3.97	220,146	4.87	176,880	4.26
Eagle	5,728	0.59	4,360	0.49	28,739	0.58	17,196	0.41
Ford	149,867	15.42	126,164	14.29	681,706	15.09	585,156	14.11
Hyundai	24,299	2.50	22,383	2.54	120,452	2.67	99,867	2.41
Isuzu	2,379	0.25	3,271	0.37	8,807	0.19	11,713	0.28
Jaguar	1,809	0.19	2,304	0.26	7,969	0.18	7,832	0.19
Lincoln	16,939	1.74	15,013	1.70	79,380	1.76	64,548	1.56
Maserati	83	0.01	87	0.01	430	0.01	429	0.01
Mazda	23,082	2.38	15,129	1.71	107,015	2.37	68,429	1.65
Mercedes	8,289	0.85	8,287	0.94	35,912	0.79	38,138	0.92
Mercury	47,033	4.84	41,298	4.68	219,030	4.85	187,220	4.51
Mitsubishi	6,415	0.66	6,046	0.68	28,742	0.64	28,392	0.64
Nissan	39,524	4.07	40,855	4.61	161,154	4.23	225,343	5.43
Oldsmobile	62,100	6.40	60,477	6.86	306,102	6.82	315,962	7.62
Peugeot	756	0.08	706	0.08	2,714	0.06	3,685	0.09
Plymouth	30,844	3.18	30,976	3.51	150,066	3.32	157,901	3.81
Pontiac	75,739	7.80	60,602	6.87	341,925	7.57	295,404	7.12
Porsche	1,304	0.13	2,473	0.28	7,253	0.16	10,624	0.26
Saab	3,107	0.32	3,897	0.44	15,705	0.35	17,808	0.43
Sterling	832	0.07	1,022	0.12	4,232	0.09	5,221	0.13
Subaru	12,991	1.31	16,222	1.84	80,724	1.34	63,267	1.53
Toyota	63,017	6.49	55,140	6.25	250,725	5.55	210,829	5.08
Volvo	8,369	0.86	10,402	1.18	40,488	0.90	52,881	1.27
VWoA	19,434	2.00	28,808	3.24	91,193	2.02	95,969	2.31
Yugo	2,510	0.26	4,111	0.47	14,531	0.32	22,272	0.54
TOTAL	970,893	100.00	882,696	100.00	4,517,601	100.00	4,147,716	100.00
TOTAL GM	359,229	37.00	314,179	35.59	1,677,416	37.13	1,570,196	37.86
TOTAL FORD	213,639	22.00	182,475	20.67	980,096	21.70	836,923	20.18
TOTAL CHRYSLER	107,925	11.12	94,981	10.76	532,808	11.79	460,941	11.11
TOTAL JAPANESE	213,479	21.99	198,355	22.47	955,541	21.15	886,919	21.36
TOTAL EUROPEAN	52,352	5.39	70,324	7.97	251,288	5.56	292,900	7.06
TOTAL KOREAN	24,299	2.50	22,383	2.54	120,452	2.67	99,867	2.41

Big 3 totals include their captive imports.
Percent share may exhibit some of one or the same due to rounding.

Dealers buying more used cars at auctions, NADA finds

A survey by the National Automobile Dealers Association finds that new-car dealers are buying fewer vehicles off the street and more at auto auctions to stock their used-car lots.

Purchases of vehicles at auctions by new-car dealers rose to 12 percent of used-car inventories in 1987 from 9 percent in 1986, according to the survey. An NADA spokesman credited the increase to more factory auction sales.

Franchised dealers obtain used vehicles from six major sources: trade-ins on new vehicles, company vehicles, auction purchases, broker's wholesale vehicles, street purchases and trade-ins on used vehicles.

Sources of used cars dropped in two categories: Street purchases dipped to 7 percent in 1987 from 9 percent the previous year; and trade-ins on new vehicles as a source declined to 52 percent in 1987 from 53 percent in 1986.

Company vehicles remained steady at 4 percent and broker's wholesale vehicles as a source stayed the same at 8 percent. Trade-ins on used vehicles stood at 17 percent.

The study is part of a larger survey done annually by NADA and published in July. This part of the study is conducted among participating members of NADA's 20 Group program and tracks the sale of used units. The number of transactions in the sample is 120,000.

According to the survey, dealers' used-vehicle departments led all other departments in percentage of dollar sales increase.

Used-car dollar volume in 1987 was up 12 percent over the previous year. Parts and service dollar volume was up 11 percent while the new-car department showed a 5 percent decline in dollar volume.

AUCTION BRIEFS

CHARLES THOMAS

Volvo picks Dallas

Volvo Finance of North America has selected Dallas Auto Auction, in Dallas, as its vehicle remarketing center for the Southwest United States.

Dallas Auto Auction — owned by Nashville-based Anglo American — will auction up to 200 Volvos every other month through the end of the year and will conduct Volvo auctions every month next year.

Under the terms of the agreement, only franchised Volvo dealers will be allowed to purchase the vehicles.

The autos to be auctioned are 240-, 740- and 760-series cars in model years ranging from 1984 to 1988. They are vehicles that have been returned from full-term leases or repossessed.

Volvo auctions will begin in July.

Volvo Finance's vehicles in Texas, Oklahoma, New Mexico, Colorado, Arkansas and Louisiana will be sent to the Dallas Auto Auction for sale. The finance company will rely on the full-service vehicle reconditioning center at the auction.

Race-car sale set

The third annual Monterey Vintage Sports & Race Car Auction on Aug. 19 in Monterey, Calif., will feature 100 rare Maserati, Ferrari, Bugatti, Jaguar and Cobra models. The event — held in conjunction with the Pebble Beach Concours and Monterey Historic Races — is sponsored by Rick Cole Auctions of North Hollywood, Calif.

Last year's event generated $5.5 million in sales. Gate receipts are donated to the Children's Services Center of Monterey, Calif.

AUCTION DIRECTORY

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Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

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San Antonio Auto Auction (div. of GECAA), 1500 Ackerman Rd., San Antonio, Texas 78219. Sale every Weds. Contact: Frank Post or Michael Millikien, 512-661-4200.

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

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AUCTION DATES

Chrysler Motors

June 14 — Florida Auto Auction of Orlando, Ocoee, Fla.; Dallas Auto Auction, Grand Prairie, Texas; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Riverside Auto Auction, Riverside, Calif.; Greensboro Auto Auction, Greensboro, N.C.; and Portland Auto Auction, Portland, Ore.

June 15 — Columbus Fair Auto Auction, Obetz, Ohio, and Southern Auto Auction, Warehouse Point, Conn.

June 16 — Fredericksburg Auto Auction, Fredericksburg, Va.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Salt Lake Auto Auction, Salt Lake City; and Southwest Auto Auction, Phoenix, Ariz.

June 17 — St. Louis Auto Auction, Bridgeton, Mo.

June 21 — Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Aurora, Colo.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; and Nashville Auto Auction, Nashville, Tenn.

June 22 — Butler Auto Auction, Gibsonia, Pa.; A.D.E. of Birmingham, Birmingham, Ala.; and Minneapolis Auto Auction, Plymouth, Minn.

June 23 — Northway Exchange, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

June 24 — Manheim Auto Auction, Manheim, Pa.

June 28 — Florida Auto Auction of Orlando, Ocoee, Fla.; Dallas Auto Auction, Grand Prairie, Texas; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Riverside Auto Auction, Riverside, Calif.; and Greensboro Auto Auction, Greensboro, N.C.

June 29 — Columbus Fair Auto Auction, Obetz, Ohio, and Southern Auto Auction, Warehouse Point, Conn.

June 30 — Fredericksburg Auto Auction, Fredericksburg, Va.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Salt Lake Auto Auction, Salt Lake City; Southwest Auto Auction, Phoenix, Ariz.; and Ark-La-Tex Auto Auction, Shreveport, La.

July 1 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

June 7 — Bay Cities Auto Auction Inc., Hayward, Calif.

Used Car Sales
Auction Averages

June 88	$5,824
Month ago	$5,731
Year ago	$5,929

June 8 — Mississippi Auto Auction, Hattiesburg, Miss.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Lakeland Auto Auction, Lakeland, Fla.

June 9 — Denver Auto Auction, Aurora, Colo.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Skyline Auto Exchange, Fairfield, N.J.

June 14 — South Seattle Auto Auction, Kent, Wash.

June 15 — Clanton's Auto Auction, Darlington, S.C.; Newburgh Auto Auction Inc.; Newburgh, N.Y.; and Salt Lake Auto Auction, Salt Lake City.

June 16 — Dallas Auto Auction, Grand Prairie, Texas; Southwest Auto Auction, Phoenix, Ariz.; Brasher's Sacramento Auto Auction, Rio Linda, Calif.

June 21 — Harrisonburg Auto Auction, Harrisonburg, Va., and Bay Cities Auto Auction Inc., Hayward, Calif.

June 22 — Northway Auto Auction, Clifton Park, N.Y.; Columbus Fair Auto Auction, Obetz, Ohio; and Lakeland Auto Auction, Lakeland, Fla.

June 23 — Baltimore-Washington Auto Exchange, Baltimore; Greater Houston Auto Auction, Houston; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

June 29 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; and Southern California Auto Auction, Fontana, Calif.

June 30 — Auto Auction of Billings, Billings, Mt.; Greater Chicago Auto Auction, Chicago; and St. Louis Auto Auction, Bridgeton, Mo.

General Motors

June 7 — Southern Auto Auction, East Windsor, Conn.; and Dallas Auto Auction, Grand Prairie, Texas.

June 8 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha; and Southern California Auto Auction, Fontana, Calif.

June 9 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah.

June 14 — Florida Auto Auction of Orlando, Ocoee, Fla., and A.D.E. of Birmingham, Moody, Ala.

June 15 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; Golden Gate Auto Auction, Fremont, Calif.; Mississippi Auto Auction, Hattiesburg, Miss.; and Indianapolis Auto Auction, Indianapolis.

June 16 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; Southwest Auto Auction, Phoenix, Ariz.; and Colorado Auto Auction, Commerce City, Colo.

June 21 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

June 22 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Riverside Auto Auction, Riverside, Calif.; and Omaha Auto Auction, Omaha, Neb.

June 23 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

June 28 — A.D.E. of Birmingham; Harrisonburg Auto Auction, Harrisonsburg, Va.; and Florida Auto Auction of Orlando, Ocoee, Fla.

June 29 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Indianapolis Auto Auction, Indianapolis.

Model Breakdown
Auction Averages

	JUNE 1988	MAY 1988	APR 1988
1988	$12,610	$12,592	$12,483
1987	$8,718	$8,672	$8,638
1986	$7,357	$7,375	$7,190
1985	$5,758	$5,732	$5,904
1984	$4,509	$4,511	$4,438
1983	$3,756	$3,751	$3,792
1982	$2,500	$2,490	$2,398
1981	$1,956	$1,963	$1,937
Overall Average	$5,824	$5,800	$5,722

DOMESTIC DAYS' SUPPLIES

	June 1, 1988	May 1, 1988	June 1, 1987
Alliance	54	69	162
Eagle	—	61	145
Premier	111	134	—
Total Eagle	99	123	160
Horizon	102	89	45
Sundance	57	66	60
Turismo	—	77	163
Reliant	41	42	57
Caravelle	68	67	106
Gran Fury	41	38	45
Total Plymouth	59	59	85
Laser	—	—	42
LeBaron K	96	88	89
LeBaron J	54	57	143
LeBaron GTS	121	134	124
Fifth Avenue	73	55	124
New Yorker C	84	102	—
New Yorker E	22	26	95
Total Chrysler	72	73	111
Omni	106	97	46
Shadow	50	60	55
Charger	—	69	149
Daytona	49	48	92
Aries	44	41	62
Lancer	152	185	138
Diplomat	53	52	69
Dynasty	45	53	—
Dodge 600	69	70	103
Total Dodge	57	59	73
CHRYSLER MTRS.	63	65	82
Escort	66	73	70
Mustang	40	44	40
Tempo	65	70	75
Taurus	39	53	75
Thunderbird	83	97	89
Probe	30	60	—
Crown Victoria	49	60	44
Total Ford Div.	54	64	68
Lynx/Tracer	108	98	97
Topaz	68	70	80
Sable	50	56	115
Cougar	73	79	91
Grand Marquis	44	45	59
Total Mercury	63	66	86
Continental	18	16	76
Lincoln	67	69	51
Mark VII	73	65	50
Total Lincoln	57	57	53
Total L-M Division	61	64	77
FORD MOTOR CO.	56	64	71
Skyhawk	85	100	137
Somerset Regal	61	101	149
Century	63	70	132
Regal	81	96	99
LeSabre	48	58	110
Reatta	94	87	—
Electra	88	101	142
Riviera	60	62	92
Total Buick	68	81	127
Cimarron	105	135	114
Allante	124	139	76
Seville	88	64	64
Cadillac	69	71	90
Eldorado	96	76	89
Total Cadillac	75	73	89
Chevette	247	298	59
Nova	82	64	66
Cavalier	52	62	104
Camaro	63	74	59
Celebrity	59	65	59
Corsica/Beretta	47	59	74
Monte Carlo	85	109	128
Chevrolet	52	77	86
Corvette	57	69	83
Total Chevrolet	56	66	77
Firenza	71	115	143
Calais	74	84	76
Cutlass Ciera	66	58	83
Cutlass Supreme	111	98	105
Olds 88	51	60	83
Olds 98	81	83	103
Toronado	80	63	59
Total Oldsmobile	72	72	87
Fiero	68	120	76
1000	—	157	61
Sunbird	44	56	100
Firebird	55	53	49
Grand Am	42	45	50
6000	52	54	104
Grand Prix	61	46	123
Bonneville H	37	47	—
Paris./Safari	79	92	122
Total Pontiac	48	52	79
GENERAL MTRS.	60	67	87
HONDA	9	12	8
MAZDA	32	42	—
NISSAN	59	51	48
TOYOTA	33	43	42
VOLKSWAGEN	116	113	61
DOM. TOTAL	57	63	77
Subcompact	48	48	—
Compact	48	54	—
Intermediate	60	65	—
Standard	57	64	—
Specialty	68	95	—

New-vehicle supplies slip back to 59 days

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Combined inventories of unsold domestic cars and imported vehicles on June 1 were slightly higher than they were a month earlier, but stronger sales trimmed the days' supply.

And in absolute numbers, stocks were 9.94 percent or about 273,000 units lighter than last year at the same time.

Strong May sales helped trim June 1 domestic and import inventories to 2,474,699 vehicles, representing a 59-day supply vs. 2,466,962, or 67 days' worth on May 1. A year ago, the total of unsold vehicles was 2,747,950, which represented a 71-day supply.

Dealers confirmed that May new-car sales were healthy and several mentioned lower inventories. Steven Flores, general sales manager for Huber Lincoln-Mercury-Subaru, Bloomington, Ill., said he had a 60-day supply and noted: "The Continental and Grand Marquis continue to be strong. The Tracer is doing well, but with more advertising it could do better."

The stockpile of domestic cars on June 1 edged up to 1,597,668 units, equivalent to a 57-day supply at May's brisk sales pace. A month earlier, there were 1,571,272 unsold cars, which represented a 63-day supply.

On June 1, 1987, stocks of unsold cars built in the United States were 1,910,805, which was equivalent to 77 days' worth.

Imported car inventories on June 1 shrank to 676,481, representing a 63-day supply. There were 12,618 fewer unsold cars than on May 1, when the inventory was 689,099, equivalent to a 73-day supply.

Car stocks, however, were nearly 70,000 units higher than the year-ago total of 606,583, which equaled 58 days' worth.

Total import truck stocks of 200,550 unsold units, representing a 72-day supply, were reduced by 6,041 units from the previous month's 206,591 or 84-day supply. They were below year ago import truck stocks of 230,562, which represented a 67-day supply.

By country of origin, import-car stocks stood this way: Japan, 61.34 percent; Germany, 14.38 percent; all other countries, 24.28 percent.

The eight domestic carmakers shared unsold car stocks as follows: General Motors, 51.48 percent; Ford Motor Co., 29.04 percent, Chrysler Motors, 15.28 percent; Nissan, 1.43 percent; Volkswagen, 1.32 percent; Honda, 0.80 percent; Toyota, 0.42 percent and Mazda, 0.23 percent.

By size class, the June 1 domestic inventory was split this way: Intermediate, 42.97 percent; compact, 23.98 percent, standard, 18.07 percent; subcompact, 13.91 percent and specialty, 1.07 percent.

If captive import stocks are included with domestic stocks, the Big 3 U.S.-based carmakers shared 74.29 percent of total unsold inventories. On June 1, GM had 39.13 percent or a 67-day supply; Ford's share was 21.94 percent or a 58-day supply and Chrysler had 13.22 percent or a 79-day supply.

The leanest stocks belonged to two Japanese-based manufacturers. Combined import and domestic stocks for Honda were 24,104 units, representing an 11-day supply or 1.06 percent of total stocks. Toyota's combined domestic and import inventory was 45,551, equal to a 24-day supply or 2.00 percent of stocks on June 1.

Nissan's combined inventories were the heftiest of the transplants. They rose to 144,117 on June 1, which represented 86 days' worth and 6.34 percent of stocks. All other imported cars and light trucks accounted for 16.5 percent.

Among U.S.-based manufacturers, Ford Division was shy of Mustangs, Tauruses and Probes on June 1. Lincoln-Mercury had only 18 days' worth of Continentals.

Chrysler had heavy stocks of LeBaron GTS (121 days) and Dodge Lancer (152 days). On the low side were Reliant and Gran Fury at 41 days each.

Among the GM divisions, Pontiac stocks were reduced to a 48-day supply and Buick's day supply was diminished to 68 days' worth at current selling rates. Oldsmobile had an 111-day supply of Cutlass Supremes on hand June 1.

IMPORT DAYS' SUPPLIES

	June 1, 1988	May 1, 1988	June 1, 1987
Chevrolet	116	169	161
Chrysler/Mitsubishi	113	143	104
Acura	37	35	37
Daihatsu	77	90	—
Honda	14	11	11
Isuzu	163	160	75
Mazda	44	58	72
Mitsubishi	89	100	54
Nissan	102	112	107
Subaru	99	110	94
Toyota	17	22	19
JAPAN	57	69	58
Audi	169	189	89
BMW	75	85	67
Mercedes-Benz	43	29	37
Merkur	132	181	120
Porsche	100	90	79
VW	78	97	72
GERMANY	77	85	68
Alfa Romeo	87	85	69
Festiva	123	130	82
Hyundai	55	53	30
Jaguar	50	65	21
Peugeot	70	90	97
Pontiac	64	76	—
Eagle/Renault	272	253	270
Saab	76	87	75
Sterling	97	107	74
Volvo	70	71	50
Yugo	172	127	45
Other Countries	75	76	50
Total Import Cars	63	73	58
Isuzu	140	152	96
Mazda	50	61	68
Mitsubishi	88	74	61
Nissan*	90	104	104
Range Rover	42	42	47
Suzuki	97	104	18
Toyota	32	43	46
Chrysler	106	122	113
Total Imp. Trucks	72	84	67
Total Imp. Vehicles	65	75	60

*—Includes domestic trucks.

ERDMAN

FROM PAGE 3

1989 model year, an increase of 100,000 to 200,000 over 1988.

Chevrolet is also looking for 1.6 to 1.7 million car sales in 1989, compared with an anticipated 1.7 to 1.8 million this model year.

Overall, it expects trucks to account for significantly more than the 42 to 44 percent of its sales mix that they're expected to take in the 1988 model year. It is not likely to emulate Ford Division, however, in having trucks account for more than half its overall sales.

Chevrolet's biggest increase is expected to come from the full-sized C/K pickups. General Motors is adding another C/K production shift at its Pontiac East plant, boosting Chevrolet's capacity to 500,000 C/K models next year, up from an estimated 390,000 for the 1988 model year.

The additional tooling is not for any particular C/K model, but will be flexible enough to accommodate across-the-board increases, Erdman said.

Chevrolet is also looking for a sizable gain in S-10 pickup sales, projected at 275,000 for the 1989 model year or 30,000 more than in 1988.

As previously reported, it will also begin getting the new Tracker sport-utility vehicle from the GM-Suzuki joint venture in Canada. Chevrolet expects to receive about 10,000 Trackers.

As of June 1, Chevrolet and its dealers had about 75 days' supply of trucks and 80 days' supply of cars on hand.

Asked about the above-average numbers, Erdman said, "At this time of year, it doesn't concern me in the least."

He noted that GM's program of capping the amount of floorplan interest a dealer has to pay, once inventory reaches a certain days' supply level, has made it easier for dealers to carry more stock.

Said Erdman, "We're (Chevrolet) short of trucks right now. It's hard to believe, but I'd like more S-10s, more C/Ks, more minivans, more G vans."

Referring to the outlook for clearing out 1988 models, he added, "The whole industry will go down pretty clean. The further down you get (on carryover inventory by the time of new-model launches in October), the better off you are. We're looking for a good cleanup."

Chevrolet will put significantly more of its resources, including advertising, merchandising, new products and dealer support, into selling trucks next model year in what Erdman described as a "pretty focused game plan."

"The crossover of car buyers into the truck market has said to us that we, Chevrolet, have to pay much closer attention to this market," he pointed out.

Chevrolet is also trying to regain market share lost to Ford in the past year. A Ford official, in fact, recently predicted that, armed with additional automatic overdrive transmission capacity, Ford would outsell Chevrolet and GMC combined in the light-truck market.

Erdman responded by saying, "They won't outsell GM. They'll have a tough enough time just living with Chevrolet, let alone Chevy and GMC. We have some pretty responsive new players in our lineup, including our dealer organization. Chevrolet dealers do not take kindly to 1987 (when Ford Division topped Chevrolet in total vehicle sales), and that's what it takes."

He added, "They (Ford) have done an excellent job, but I'd like to think they're hearing footsteps."

After a slow start in launching its new full-sized pickups last year, the C/K models are now "really moving," Erdman said, while "competition (Ford) has begun to slip."

The most recent five-month sales data shows Ford, with 258,107 full-sized F-series sales, leading Chevrolet's 215,868 full-sized pickup sales by 19.57 percent. In the corresponding 1987 period, Ford had a 33.56 percent edge over Chevrolet in that segment, the largest in the light-truck market.

One of GM's (including Chevrolet and GMC) new pricing/marketing strategies in 1989, according to dealers, is to package truck options differently.

Generally, GM has simplified its optional equipment offerings and has added more basic content to trucks. Some dealers have expressed concern that this will drive prices up and keep them from getting inexpensive stripped-down work trucks.

Erdman replied, "If anything, it will drive prices down in the long run because you gain some efficiencies. All your packages are really customer-driven. They're all priced in line with customer needs. You take a look at what's being ordered, and the customer gains in the price/value relationship."

He noted that some truck models, "principally the three-quarter and one-ton jobs, are very difficult to package. We've kept ourselves in a position where there is still some free-flow" on options.

Mexico's April car output jumps 46%

By Kathy Barbaglia and Stephen Downer
AUTOMOTIVE NEWS STAFF REPORTERS

Mexican car output for April totaled 25,428 units, [illegible] percent more than the 17,413 cars built in April 1987.

At April's end, 109,294 cars had been built in Mexico for the calendar year, 54.80 percent more than the 70,605 built during the first four months of 1987.

General Motors built 4,354 cars in April, compared with 486 in the year-ago period.

A GM spokesman said production had been increased to build up inventory because the plant soon would be idled to modernize the paint facility. Also, April 1987's output was lower than usual because of downtime for model changeover.

GM produces Celebrity, Cutlass Ciera and Century models in Mexico. The Celebrity is the only model exported to the United States.

MEXICAN, N. AMERICAN CAR PRODUCTION
April 1988 vs. April 1987

	April 1988	April 1987	4 mos. 1988	4 mos. 1987
Chrysler	6,316	5,167	22,269	19,918
Ford	8,065	4,146	31,441	15,517
GM	4,354	486	17,651	2,627
Nissan	1,623	4,113	19,401	19,183
Volkswagen	5,070	3,501	18,532	13,360
Total Cars, Mexico	25,428	17,413	109,294	70,605
Total Cars, U.S.	610,206	655,867	2,310,610	2,734,046
Total Cars, Canada	103,209	69,050	391,694	299,585
Total Cars, N. American	738,843	742,330	2,811,598	3,104,233

Ford Motor Co.'s April output totaled 8,065 cars, 94.52 percent more than the year-ago month's 4,146 when Tracer production was not at full capacity. Ford also builds Topaz, Cougar, Thunderbird and Taurus models in Mexico. However, only Tracer is built for export.

Chrysler Motors built 6,316 units in April, 22.24 percent more than the 5,167 assembled in April 1987. Chrysler builds the LeBaron J, Aries, Reliant, Sundance and Shadow models for export to the United States.

April's North American production totaled 738,843 cars, slightly below (0.47 percent) the year-ago month's total of 742,330.

PRODUCTION

Truck output for May is highest ever

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic truck production of 370,127 in May was the highest ever for that month, surpassing the previous record of 338,961 in May 1979.

Last month's truck output was 8.74 percent more than April's 340,385 and 10.02 percent more than the year-ago month's 336,423.

Targeted production of 87,842 trucks last week was 19.87 percent more than the prior week's 73,284 and 16.52 percent more than the year-ago week's 75,389.

Year-to-date, 1,939,374 trucks have been assembled, 11.42 percent more than the 1,740,582 completed last year at this point.

Car production in May totaled 697,069, 14.24 percent more than April's 610,206 and 11.84 percent more than the year-ago month's 623,265.

Last week's scheduled output of 173,382 cars was 26.02 percent more than the previous week's 137,579 and 17.73 percent more than the year-ago week's 147,277.

So far this year, 3,311,659 cars have been built, 7.29 percent below the 3,572,010 assembled last year at this time.

Companies split last week's estimated production as follows: General Motors, 48.78 percent; Ford Motor Co., 24.80 percent; Chrysler Motors, 16.03 percent; Honda of America Manufacturing Inc., 4.43 percent; New United Motor Manufacturing Inc., 1.87 percent; Nissan Motor Manufacturing Co. U.S.A., 1.51 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 1.43 percent; and Volkswagen of America, 1.15 percent.

The Cadillac Allante line at GM's Detroit-Hamtramck plant was shut down today for approximately 2½ months for model changeover.

GM's Fiero plant in Pontiac, Mich., resumed output last week after being idle for inventory adjustment.

GM's Detroit-Hamtramck, Lansing, Mich.; Willow Run, Mich.; Janesville, Wis.; Lakewood, Ga.; Atlanta; Arlington, Texas; Baltimore; Flint, Mich., and Shreveport, La., plants were slated for overtime last Saturday.

Canadian cars best since 1977

Canadian auto production of 110,656 for May was the highest for that month since the 117,134 built in May 1977.

May's car output was 7.22 percent more than April's 103,209 and 41.87 percent more than the year-ago month's 77,998.

Last week's scheduled car production of 27,117 was 2.10 percent more than the prior week's 26,559 and 49.69 percent more than the year-ago week's 18,115.

Truck output of 80,432 units for May fell five units short of April's 80,437 but increased 21.11 percent over the the year-ago month's 66,412.

Targeted production of 20,075 trucks last week was 1.23 percent more than the preceding week's 19,832 and 10.13 percent more than the year-ago week's 18,228.

U.S. CAR	Week Ended June 11, 1988	Week Ended June 13, 1987	Week Ended June 4, 1988	May Total	Jan. 1 to June 11, 1988	Jan. 1 to June 13, 1987
Alliance	0	0	0	0	0	15,539
Total Eagle	0	0	0	0	0	15,539
Horizon	2,500	0	1,763	9,476	44,307	32,997
Sundance	3,100	1,794	2,617	7,892	49,672	49,301
Reliant	3,200	2,623	2,584	11,744	49,073	56,507
Caravelle	100	1,039	469	2,258	9,673	26,226
Gran Fury	300	126	353	1,477	6,219	2,076
Total Plymouth	9,200	5,582	7,796	32,847	158,944	167,107
LeBaron K	0	1,690	0	1,717	7,955	40,115
LeBaron J	2,200	2,497	2,438	9,752	35,254	55,823
LeBaron GTS	300	934	294	941	4,366	20,406
N. Yorker E-Class	0	1,730	0	0	0	40,278
N. Yorker C-Class	2,800	0	2,255	11,914	54,816	0
Fifth Avenue	200	1,206	187	1,309	14,202	19,621
Total Chrysler	5,500	8,057	5,174	25,633	114,893	176,245
Omni	2,400	0	1,689	9,325	43,896	28,363
Daytona	2,200	1,242	2,249	9,741	34,200	27,261
Shadow	2,700	2,199	2,383	9,887	51,266	49,770
Aries	2,900	2,175	1,968	10,028	41,437	53,585
Dodge 600	100	1,009	450	1,961	8,492	23,284
Dynasty	2,300	0	1,860	9,653	51,061	0
Lancer	200	544	167	684	4,867	12,851
Diplomat	300	382	248	1,856	10,309	3,400
Total Dodge	13,100	7,551	11,014	53,135	245,530	198,514
CHRYSLER MOTORS	27,800	21,190	23,984	111,615	519,367	557,405
Escort	9,566	8,768	8,791	41,057	174,574	174,995
Mustang	4,576	4,527	3,457	17,655	97,893	101,436
Tempo	3,929	3,964	3,251	16,894	91,754	90,634
Taurus	9,662	7,981	6,762	36,656	186,536	202,689
Thunderbird	3,866	3,739	3,046	14,225	74,789	77,511
Total Ford Div.	31,599	28,979	25,307	126,487	625,546	647,265
Lynx	0	218	0	0	0	19,567
Topaz	1,584	1,553	1,167	6,258	34,267	29,772
Cougar	2,583	2,509	2,000	10,606	55,739	73,806
Sable	3,072	2,630	2,220	14,667	65,217	64,270
Total Mercury	7,239	6,910	5,387	31,531	155,223	187,415
Continental	924	404	878	4,294	21,175	8,652
Mark VII	450	605	446	2,134	11,672	12,961
Lincoln	2,782	3,030	2,680	12,892	67,796	64,837
Total Lincoln	4,156	4,039	4,004	19,320	100,643	86,450
Total L-M Division	11,395	10,949	9,391	50,851	255,866	273,865
FORD MOTOR CO.	42,994	39,928	34,698	177,338	881,412	921,130
Skyhawk	0	296	0	0	11,350	14,848
Skylark/Somerset	1,749	1,180	1,141	7,207	21,959	34,269
Century	3,773	1,563	2,956	14,144	50,156	85,653
Regal (rwd)	0	897	0	0	0	21,487
Riviera	154	265	136	587	3,211	7,719
Electra	2,254	2,409	2,187	9,645	40,613	46,264
LeSabre (fwd)	2,500	3,814	2,006	10,520	58,692	59,737
LeSabre (rwd)	234	66	216	1,196	4,630	5,050
Reatta	204	0	129	736	2,658	0
Total Buick	10,868	10,510	8,771	44,035	193,269	275,027
Cimmaron	0	185	0	170	3,696	7,027
Eldorado	1,210	602	1,034	4,629	20,057	8,923
Seville	723	513	607	2,752	12,500	11,303
Brougham (rwd)*	884	1,030	884	4,422	17,593	36,059
Deville (fwd)	3,540	2,990	2,833	14,873	84,047	75,830
Allante	49	142	52	175	1,128	1,771
Total Cadillac	6,406	5,462	5,410	27,021	139,021	140,913
Cavalier	8,657	8,520	6,412	33,806	162,664	172,476
Camaro	2,440	1,228	1,967	10,104	40,179	50,897
Celebrity	5,410	5,688	4,135	21,463	84,724	169,662
Corsica/Beretta	9,110	4,323	7,411	38,571	188,698	129,302
Monte Carlo	0	1,209	0	0	0	35,215
Caprice	5,874	1,922	3,889	17,393	91,911	93,857
Corvette	450	646	357	1,877	9,847	14,008
Total Chevrolet	31,941	23,536	24,171	123,214	578,023	665,417
Calais	3,243	3,836	3,379	12,289	55,250	60,773
Firenza	0	577	0	0	5,220	4,996
Cutlass Ciera	1,428	5,041	1,073	2,236	4,496	86,295
Cutlass Supreme	4,065	1,907	3,215	17,649	96,200	33,860
Toronado	487	552	423	1,867	8,771	8,656
88 (fwd)	3,963	4,117	2,832	15,464	77,776	91,761
88 (rwd)	144	472	132	1,024	5,722	9,066
Olds 98	1,602	971	1,305	6,727	38,476	33,804
Total Oldsmobile	14,932	17,473	12,359	57,256	291,911	332,831
Sunbird	2,211	2,330	2,163	10,124	49,982	54,263
Grand Am	6,300	6,256	4,108	24,200	114,357	121,516
Firebird	1,560	752	1,317	6,772	29,569	36,798
Grand Prix	3,598	0	2,959	15,023	57,405	0
Pontiac 6000	2,870	0	1,261	7,878	37,509	38,135
Bonneville	3,254	3,112	2,168	12,484	52,579	55,449
Safari/Parisienne	108	121	117	989	4,013	5,080
Fiero	520	1,058	0	1,942	9,167	18,243
Total Pontiac	20,421	13,629	14,093	79,412	354,591	339,484
GENERAL MOTORS	84,568	70,610	64,804	330,938	1,556,815	1,753,672
HONDA	7,680	6,485	5,934	31,502	168,692	151,105
Civic	2,400	2,876	1,816	9,220	45,052	50,535
Accord	5,280	3,609	4,118	22,282	123,640	100,570
MAZDA†	2,480	0	1,750	9,601	39,254	0
NISSAN	2,610	2,948	2,110	11,045	45,398	64,819
NUMMI	3,250	4,071	2,689	13,985	73,611	88,399
Corolla	2,050	868	986	5,062	27,902	18,182
Nova	1,200	3,203	1,683	8,923	45,709	70,217
VOLKSWAGEN	2,000	2,045	1,630	11,045	27,110	35,480
Golf/GTI	2,000	1,795	1,630	11,045	21,557	29,829
Jetta	0	250	0	0	5,553	5,651
Total Cars, U.S.	173,382	147,277	137,579	697,069	3,311,659	3,572,010
Total Cars, Canada	27,117	18,115	26,559	110,656	545,629	383,799
U.S., Canada Cars	200,499	165,392	164,138	807,725	3,857,288	3,955,809
U.S., Canada Cars and Trucks	308,416	259,009	257,254	1,258,284	6,235,796	6,075,528

Monthly estimates may contain error of one or two units due to rounding.
*—Estimate. †—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended June 11, 1988	Week Ended June 13, 1987	Week Ended June 4, 1988	May Total	Jan. 1 to June 11, 1988	Jan. 1 to June 13, 1987
Eagle	0	—	0	0	0	—
Premier	1,606	—	1,554	6,879	33,494	—
CHRYSLER MOTORS	1,606	107	1,554	6,879	33,494	2,756
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	4,209	—	3,543	17,442	93,792	—
Topaz	1,187	—	1,334	5,352	31,471	—
Crown Victoria	2,856	—	2,836	11,919	64,022	—
Grand Marquis	2,904	—	2,894	12,057	63,717	—
FORD MOTOR CO.	11,156	11,079	10,607	46,770	253,002	246,972
Celebrity	645	—	658	2,980	10,030	—
Cutlass Ciera	7,335	—	7,642	29,529	128,525	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	1,540	—	1,492	5,676	25,200	—
Regal	3,800	—	3,362	14,453	76,050	—
GENERAL MOTORS	13,320	6,336	13,154	52,638	239,805	124,490
Civic	855	—	912	1,804	3,833	—
Accord	0	—	152	1,828	12,315	—
HONDA	855	368	1,064	3,632	16,148	4,721
VOLVO	180	225	180	737	3,180	4,860
Total Cars, Canada	27,117	18,115	26,559	110,656	545,629	383,799

U.S. TRUCK☆	Week Ended June 11, 1988	Week Ended June 13, 1987	Week Ended June 4, 1988	May Total	Jan. 1 to June 11, 1988	Jan. 1 to June 13, 1987
Caravan	1,900	—	2,416	8,527	46,504	—
Dakota	2,200	—	1,728	8,883	53,940	—
Mini-Ram Van	300	—	265	1,443	7,222	—
Pickups	2,150	—	1,724	8,733	32,679	—
Total Dodge	6,550	7,708	6,133	27,586	140,345	122,692
Cherokee	4,450	—	3,631	16,799	83,991	—
Commanche	1,050	—	819	3,880	21,959	—
Grand Wagoneer	350	—	280	1,455	6,930	—
Pickups	0	—	0	0	0	—
Wagoneer	200	—	249	1,131	6,004	—
Total Jeep	6,050	4,094	4,979	23,265	124,084	100,288
Voyager	1,700	—	2,154	7,946	42,884	—
Total Plymouth	1,700	—	2,154	7,946	42,884	—
CHRYSLER MOTORS	14,300	11,802	13,266	58,797	307,313	222,980
Aerostar	3,582	—	2,845	18,741	100,209	—
Bronco	1,292	—	1,042	5,338	28,338	—
Bronco II	2,514	—	1,944	10,293	62,858	—
Econoline	5,147	—	4,057	21,539	114,872	—
Heavy trucks	1,469	—	1,348	6,450	31,882	—
Light trucks	10,420	—	8,174	45,999	236,167	—
Ranger	7,872	—	6,374	32,643	169,230	—
Total Ford Div.	32,316	30,312	25,784	141,003	743,556	702,626
FORD MOTOR CO.	32,316	30,312	25,784	141,003	743,556	702,626
Astro	3,900	—	3,255	14,070	79,558	—
Blazer	660	—	471	2,436	12,850	—
Mediums/Heavies	440	—	320	1,755	8,352	—
P-Model	890	—	659	3,427	18,090	—
Pickups	7,379	—	5,835	31,745	154,184	—
S-10	6,202	—	5,444	27,123	133,667	—
S-10 Blazer	4,037	—	3,316	16,494	76,342	—
Sportsvan/Van	1,955	—	1,883	9,041	39,465	—
Suburban	1,778	—	1,098	6,768	33,976	—
Total Chevrolet	27,241	19,578	22,281	112,859	556,486	511,084
Jimmy	156	—	58	719	3,806	—
Mediums/Heavies	660	—	523	2,230	18,462	—
P-Model	130	—	156	867	2,559	—
Pickups	2,228	—	1,714	8,753	48,104	—
S-15	1,372	—	1,229	5,277	31,207	—
S-15 Jimmy	957	—	837	4,106	19,946	—
Safari	974	—	794	3,553	20,386	—
Suburban	669	—	494	2,702	16,007	—
Vandura/Rally Vans	574	—	562	2,372	16,927	—
Total GMC	7,720	7,482	6,367	30,579	177,404	174,336
GENERAL MOTORS	34,961	27,060	28,648	143,438	733,890	685,420
NAVISTAR	1,845	1,667	1,504	7,751	40,417	35,164
NISSAN	1,670	1,798	1,332	7,038	51,498	36,692
AM GENERAL*	450	450	450	1,980	10,260	5,100
MISCELLANEOUS*	2,300	2,300	2,300	10,120	52,410	50,600
Total Trucks, U.S.	87,842	75,389	73,284	370,127	1,939,374	1,740,582

CANADIAN TRUCK	Week Ended June 11, 1988	Week Ended June 13, 1987	Week Ended June 4, 1988	May Total	Jan. 1 to June 11, 1988	Jan. 1 to June 13, 1987
Caravan	3,150	—	2,898	12,306	66,606	—
Mini-Ram Van	324	—	318	1,371	6,720	—
Ram Wagon	520	—	569	2,343	11,437	—
Ram Van	1,530	—	1,465	6,274	29,510	—
Total Dodge	5,524	8,625	5,250	22,294	116,273	191,141
Voyager	2,670	—	2,604	11,011	60,744	—
Total Plymouth	2,670	—	2,604	11,011	60,744	—
Wrangler	1,018	—	781	4,249	23,065	—
Total Jeep	1,018	784	781	4,249	23,065	15,203
CHRYSLER MOTORS	9,212	9,409	8,635	37,554	202,102	206,344
FORD MTR. (lt. trks.)	3,648	3,510	3,802	15,228	81,528	72,730
Light trucks	1,650	—	1,312	12,195	67,502	—
Vans	1,467	—	1,719	5,556	28,699	—
Total Chevrolet	3,117	—	3,031	17,751	96,171	—
Light trucks	3,150	—	3,710	6,315	38,601	—
Vans	676	—	589	2,567	15,532	—
Total GMC	3,826	—	4,299	8,882	54,223	—
GENERAL MOTORS	6,945	5,087	7,330	26,633	150,394	95,588
NAVISTAR	270	222	265	1,017	5,110	4,475
Total Trks., Canada	20,075	18,228	19,832	80,432	439,134	379,137
U.S., Canada Trks.	107,917	93,617	93,116	450,559	2,378,508	2,119,719

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Foreign firm can be sued via U.S. unit

VW: Ruling could affect dealers, too

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Volkswagen AG and all other foreign automakers have been told by the Supreme Court that they are vulnerable to legal actions in the United States through their subsidiaries and distributors — and perhaps even franchised dealers.

The unanimous decision handed down by the court last week came in a case against Volkswagen of America and its parent. The case was filed in 1984 by the estate of a couple killed in an Illinois auto accident.

Franz and Sylvia Schlunk, along with three of their children, were killed in a Dec. 17, 1983 accident while riding in a 1978 Volkswagen Rabbit. One son, who was not along, survived. The suit alleged the Rabbit contributed to their deaths because design defects rendered the car "uncrashworthy."

The ramifications of the Supreme Court decision go beyond the German automaker as all world auto companies are put on notice that they are subject to litigation in the United States. Domestic manufacturers also fear the decision will open the door to similar treatment abroad in retaliation.

VW AG contended it was never properly served in the case, saying that it should have been notified of the litigation through the Hague Convention, an international agreement that has a mechanism for notifying companies of lawsuits filed against them in other countries.

Under the agreement — in the case of a German company — the plaintiff must submit the documents translated into German and the German government then serves the named company.

However, in this case the plaintiffs, the estate of Franz and Sylvia Schlunk, maintain that VW AG was adequately served through its subsidiary, VWoA, which was also named in the suit.

Use of the Hague Convention procedures were overruled in a majority opinion written by Justice Sandra Day O'Connor. A minority concurring opinion was written by Justice William Brennan for three justices.

"Where service on a domestic agent is valid and complete under both state law and the due process clause, our inquiry ends and the Convention has no further implication," O'Connor wrote. "And contrary to VW AG's assertion, the due process clause does not require an official transmittal of documents abroad every time there is

see VW - 1

AUTOMOTIVE NEWS JOE WILSSENS

Race cars, road cars — birds of a feather
Ford pitchman Jackie Stewart, center, is joined by Formula One drivers Thierry Boutsen, left, and Alesandro Nannini to promote the correlation between race-car aerodynamics and street-car applications during Detroit Grand Prix VII festivities last week.

NADA: Politics and promos

Green nominated; would be '90 leader

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

BOSTON — The election of next year's National Automobile Dealers Association officers should be far more tranquil than last year's intense race for 1988 officers.

That tranquility of leadership transition was virtually guaranteed last week when the board of directors' nominating committee nominated a sole candidate — Ray Green, NADA director for Illinois — for the 1989 position of first vice president and, therefore, NADA president in 1990.

Green, 60, is president of nine-franchise Green Holding Co. Inc., Jacksonville, Ill.

"Someone else could be nominated from the floor at the October (1988) meeting, but I don't think it will happen," said James T. Caplinger, NADA immediate past president and chairman of the nominating committee.

see NADA, page 54

Chevy's ad-group plan meets strong opposition

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

BOSTON — Factory plans to force all dealers to join, or at least pay for, dealer ad associations has met stiff resistance from the National Automobile Dealers Association board of directors.

"I think it's something the dealers are going to resist," said NADA President Jimmy C. Payton, "so that may be our next battleground."

Payton said NADA directors attending the board meeting here voiced strong objection to any manufacturer mandating ad group membership or fees.

The event that prompted the discussion was a tentative plan by Chevrolet to deduct a surcharge of one percent of invoice to finance dealer ad association contributions to local and regional ad campaigns.

see AD GROUP, page 54

Broker sales rise, puzzle Ford dealers

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Division dealers have been buying thousands of cars and trucks outside standard sales channels, a phenomenon that has raised questions about defects in Ford's distribution system.

Ford dealers, particularly in the Northeast, say they are getting an unprecedented number of calls from brokers and other parties offering Ford products, sometimes in unusually large quantities.

Those who take advantage of the offers say they do it because they can't get the vehicles they need from the company. They are typically paying $150 to $500 over invoice, plus shipping, and still are able to sell the units for a profit. At the same time, though, they are wondering how anyone can get their hands on cars that appear to be so hard to get through Ford.

The issue has come to the attention of Ford and its dealers in some parts of the country. While there is some dispute over the magnitude of the problem, there is agreement that a secondary sales network corrupts the distribution system.

Many questions stem from the fact that brokered units are being shipped without sales cards — the document that registers a sale within Ford Motor Co. If a dealer arranges a sale through a broker and keeps the card, he can get credit for the sale and the right to earn additional inventory through Ford's "turn and earn" system.

Brokered cars have also clouded the issue of warranty coverage. If a dealer sells through a broker and keeps the sales card, a warranty could kick in when he turns that card in to the factory, not when the car is sold to a retail customer. And since a sale takes place twice — from one dealer to another and then to the retail owner — the end user is in a sense buying a "used" car. Buyers of used Fords pay $100 to have warranty coverage transferred.

Dealers also aren't sure whether recall notices will find their way to the owner when a car passes through extra hands before retail delivery. A Ford spokesman, however, said it can track owners through state registrations even if Ford has no record of their ownership.

see BROKER, page 54

NUMMI PAYOFF

Hendry brings new approach to rebuild Vauxhall operation

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

LONDON — Robert Hendry, a financial man for most of his 24 years at General Motors, learned manufacturing at the feet of the Japanese.

Now he's transferring that approach from the GM-Toyota New United Motors Manufacturing Inc. joint venture in Fremont, Calif., around the globe to Europe.

And, in the process, GM is collecting dividends from one of its biggest benefits in the Toyota project — learning to do things better.

Hendry's personal style — soliciting input from people at all levels of the organization — is a reflection of his experience as a start-up NUMMI person and later GM's top person there.

He starts a job by asking questions. There were many

see VAUXHALL, page 50

Robert Hendry, right, meets with top management officials of Vauxhall's Luton plant

Mazda considers U.S. truck output — Page 2
'89 Continental debuts with dual air bags — Page 3
Chevy, Pontiac eye 25% of U.S. market — Page 4

NEWSPAPER

Small firm, big plans in truck world

Viamax Baby 8 will shun dealers

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Can a Viamax succeed where a General Motors couldn't?

Newly formed by a group of investors, the small company has kept a low profile since taking out a charter earlier this year to produce Class 7½ trucks in Mt. Pleasant, Tenn.

But the small company has big plans. To develop a true Baby 8 rig and sell it without a dealer network, undercutting the industry giants, including GM, which turned over control of its heavy-truck operations to Volvo last year.

One of the investors is David Carroll, who described himself as a "heavy investor" in Viamax and as a "heavy investor" in Mini-Big-Rig, Bourbonnais, Ill. He declined to give his job title. Some other Mini-Big-Rig employees are investors in Viamax, as well, Carroll said.

Mini-Big-Rig operates a successful truck repowering and conversion operation for the hot-shot market. Those are low-frame-height medium-duty trucks used to carry light and stackable items. Hot shots can also be used as wreckers, ambulances, tank container vehicles and for other applications.

Carroll said only that Viamax has an "engineering idea for the total concept" that will help it outcompete larger rivals in the emerging Baby 8 truck segment. Those are trucks sized between Class 7 and 8 vehicles, designed mainly for regional short-haul applications.

Automotive News gleaned something of the company's plans, however, through another investor, M.M. McGinty, president of J.I.T. Associates, Nashville. The consulting firm has handled a lot of the market research for Viamax.

Viamax plans to focus its products on the bulkier, lightweight commodity market, underpricing competition while offering a more fuel-efficient design. It plans to bypass a dealer network, at least initially, selling directly to dedicated haulers and relying heavily

see VIAMAX, page 50

Continental will be first domestic car with dual air bags

SAFETY FIRST: *Continental debuts with dual air bags*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

This Wednesday in Washington, Ford Motor Co. plans to unveil the 1989 Lincoln Continental — the first domestic car to offer driver- and passenger-side air bags as standard equipment.

The car, which was introduced late last year, is sold out through August. But a production increase scheduled for next month is expected to trim the backlog by new-model changeover time.

Government safety and insurance industry officials are expected to be on hand as Ford stages deployment of the twin air bags. The company is calling the car a milestone in automotive safety.

The event also indicates that Ford has resolved its concerns about passenger-side bags. Since passengers tend to move about more than drivers, there were questions about protecting occupants who aren't sitting upright when the bags deploy. Ford had earlier said it wouldn't offer the bags until it had resolved the so-called "out-of-position-passenger" issue.

The company has sold driver-side air bags as options on Tempo/Topaz models since the 1987 model year.

Ford will begin production of the 1989 Continental in October at its Wixom, Mich., assembly plant.

Wixom will open an addition to its paint facility next month, which will increase overall output from 42 to 46 units an hour. In the process, Continental's share of the plant's production rise from the current 9 units per hour to 15, a company source said.

Production has held at the 9-unit level since last fall. That low output has been one reason for the lean inventories — an 18-day supply on June 1. The car has also sold better than Lincoln-Mercury had expected.

The 1989 Continental is expected to carry a higher price tag because of the air bags. On the Tempo/Topaz, the single air bag is an $815 option.

Wixom will begin building 1989 Town Car and Mark VII models in July.

Strike ends at Cars & Concepts

By Dan Morrison
SPECIAL CORRESPONDENT

Unionized employees at C&C Inc. (Cars & Concepts), Brighton, Mich., approved their first contract with the vehicle conversion company June 12.

It is a three-year pact that includes annual wage increases and a no-strike clause.

Members of UAW Local 4077 voted 303 to 80 to approve the contract, ending a three-day strike that stopped work on Chrysler export models and Ford Mustang convertibles.

Starting pay for assembly workers originally was $4.50. It will now be $5.25. The assemblers' rate rises to $6.25 after 60 working days and to $8 by the third year with the company.

Assembly workers who had been with C&C one year prior to the contract will make a minimum of $9 by year three.

In addition, workers in all classifications who were at or above the maximum pay at the time of the agreement will receive semi-annual lump-sum payments of 40 cents per compensated work hour (not including overtime) starting June 13. The maximum payment will be $832 a year.

Other terms include:

- Reducing the number of job classifications from 22 to 13.
- Delaying implementation of benefits for new hires: six months for hospitalization, surgical and life insurance and one year for dental, vision and hearing benefits.
- A no-strike clause with no exceptions.
- No limitations on subcontracting and no cost-of-living allowances.

The contract is expected to be signed this week.

Meanwhile, Defiance-Vangarde of Owosso, Mich., a C&C supplier, will vote on unionization June 24.

Chrysler bows on binding arbitration

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Motors is expected to abandon its campaign to include mandatory binding arbitration in its Jeep-Eagle franchise agreement to settle factory-dealer disputes.

Although the company publicly maintains that use of mandatory binding arbitration remains under consideration, several sources said Chrysler is expected to relent because of dealer pressure.

It is now anticipated that a mandatory binding arbitration clause will be optional in the Jeep-Eagle franchise agreement and in pacts used when re-signing Chrysler-Plymouth and Dodge dealers because of open points, stock transfers and dealership sales.

Chrysler's retreat on the controversial issue would mean that General Motors' Saturn Corp. remains the only domestic auto manufacturer with a mandatory arbitration provision in its franchise agreement.

Chrysler indicated it is considering backing down from imposing the arbitration clause at meetings held recently with the Chrysler-Plymouth, Dodge and Jeep-Eagle national dealer councils.

Chrysler's announced intent last fall to require mandatory binding arbitration in the Jeep-Eagle franchise ignited a storm of protest led by the National Automobile Dealers Association and members of the franchised dealer councils. Chrysler acquired American Motors in August 1987 and has refranchised former AMC dealers as Jeep-Eagle dealers.

NADA maintains that binding arbitration circumvents state franchise laws and the protection those laws give dealers.

Chrysler, however, terms binding arbitration "by far the most equitable and cost-effective method of settling disagreements." The company said "abusive" state laws exist that "cripple" the company's ability to do business and lead to protracted disputes that can take years to resolve.

In the wake of the protest, Chrysler twice revised the Jeep-Eagle franchise agreement. In October, the company said it would place an 18-month moratorium on the issue and temporarily make binding arbitration an option in the agreement.

The company said that during the 18 months, it would review state franchise laws with dealer association officials and conduct lobbying efforts to change laws in some states.

However, at the recent national dealer council meetings, Chrysler said it was lifting the 18-month moratorium. "We've removed the deadline," a Chrysler spokesman confirmed, "so we can focus on the issue, which is new franchising laws. Chrysler, NADA and the dealer councils will continue working to correct abusive state legislation."

Although the spokesman said mandatory binding arbitration "is still under consideration," sources said Chrysler has privately signaled to dealers that binding arbitration is likely to be optional in the contract.

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Supplier execs to address World Congress

DETROIT — Four supplier industry executives will be among more than 30 faculty members at the 13th annual Automotive News World Congress at the Westin Hotel, July 17-20.

They are: Dr. Dieter Spethmann, chairman of the executive committee, Thyssen AG, Duisburg, West Germany; John L. Tuley, vice president and general manager, plastics division, Monsanto Chemical Co., St. Louis; Germaine Gibara, director, aluminum structured vehicle technology, Alcan International Ltd., Montreal; and Armand V. Feigenbaum, president and chief executive officer, General Systems Co. Inc., Pittsfield, Mass.

Spethmann will deliver the State of the Supplier Industry address at 8:30 p.m. Sunday, July 17.

Thyssen, which employs 130,000, is made up of more than 180 companies worldwide. Included is U.S.-based Budd Co., which is part of the German firm's capital goods and manufactured products business group.

The group, which also includes Thyssen Industrie and Reinische Kalksteinwerke, produces a wide range of automotive products and has a worldwide workforce of over 48,500 persons.

Tuley, who will speak at 2 p.m. Monday, July 18, has been with Monsanto 33 years. His assignments have included management positions in the inorganic division, textiles division, international division and Monsanto Polymer Products Co.

Tuley, who assumed his present post in 1986, has a bachelor of science degree in chemical engineering from the University of Delaware and has participated in the Columbia University advanced management program.

Gibara, a native of Cairo, Egypt, joined Alcan in 1975 as director of investor relations, a position she held until 1984 when she attended Harvard Business School's program for management development.

From 1985 to 1986, Gibara was in charge of a special strategy study for Alcan's president.

Gibara is a member of the Montreal Society of Financial Analysts, the National Investor Relations Institute, the Harvard Business School Association of Montreal and the sectoral advisory group to the Canadian government on international trade in the automotive and aerospace industries.

Feigenbaum heads an international engineering firm that designs, installs and implements quality-oriented integrated systems in major corporations throughout the world.

An innovator in quality technology and management, Feigenbaum is the originator of total quality control (TQC) and was first to define quality costs as the costs of prevention, appraisal and internal and external failures.

His "Total Quality Control" book has been published in a dozen languages and is the basic text on quality systems and improvement worldwide.

Gibara and Feigenbaum will speak at 2:50 and 3:45 p.m., respectively, on Tuesday, July 19.

The World Congress will begin with General Motors President Robert C. Stempel's State of the Industry keynote address at 7:45 p.m. Sunday, July 17.

For further information, write Automotive News World Congress, 1400 Woodbridge, Detroit, MI 48207 or telephone 313-446-6047. The cable address is TWX 810-221-5122 AUTNEW DET.

May truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1988	TOTAL 1987
CHRYSLER-PLYMOUTH	MO	21,710						21,710	19,422
	YR	83,383						83,383	48,236
DODGE	MO	56,600						56,600	49,898
	YR	255,082						255,082	228,352
JEEP	MO	22,216						22,216	17,148
	YR	101,285						101,285	81,186
TOYOTA	MO	23,714						23,714	32,896
	YR	100,848						100,848	129,568
NISSAN	MO	14,310						14,310	15,853
	YR	69,916						69,916	92,464
MAZDA	MO	8,936						8,936	10,701
	YR	44,447						44,447	49,339
ISUZU	MO	6,781						6,781	7,104
	YR	31,642						31,642	38,491
MITSUBISHI	MO	3,705						3,705	4,647
	YR	20,815						20,815	20,379
SUZUKI	MO	6,074						6,074	6,000
	YR	29,022						29,022	36,942
RANGE ROVER	MO	222						222	220
	YR	1,367						1,367	469
FORD	MO	131,996	1,972		984	3,578	1,573	140,103	130,303
	YR	624,138	7,394		4,444	14,973	5,713	666,662	596,274
FREIGHTLINER	MO						1,869	1,869	2,000
	YR						9,756	9,756	8,775
CHEVROLET	MO	122,726		20	574	727	40	124,087	100,921
	YR	559,311		112	3,406	4,012	183	567,024	471,467
GMC	MO	36,766		772	932	1,084	111	35,665	26,550
	YR	149,099		2,544	6,686	7,548	890	166,759	142,839
KENWORTH	MO					42	1,323	1,365	1,172
	YR					219	6,331	6,550	5,448
MACK	MO				162	215	2,179	2,556	2,179
	YR				800	1,082	8,044	9,906	9,820
MERCEDES	MO				111	176		287	343
	YR				463	785		1,248	1,609
NAVISTAR	MO		15	25	1,354	2,574	2,723	6,691	5,331
	YR		86	170	8,185	12,900	13,825	35,166	28,471
PETERBILT	MO					46	1,368	1,416	1,073
	YR					134	8,289	8,423	4,064
VOLVO	MO					137	1,420	1,557	1,156
	YR					504	5,610	6,114	5,098
HINO	MO			55	59	91		205	210
	YR			268	225	396		896	782
NISSAN DIESEL	MO			51	14	56		121	119
	YR			201	148	413		898	571
ISUZU TRUCK	MO	377	33	12	64	21		507	474
	YR	2,030	142	58	526	122		2,878	2,030
MITSUBISHI FUSO	MO	184		57	39	88		342	92
	YR	534		155	184	284		1,056	357
SCANIA	MO						24	24	13
	YR						85	85	63
IVECO TRUCKS	MO	94	41	23	12			170	222
	YR	423	237	132	80			872	1,090
WESTERN STAR	MO						119	119	105
	YR						881	881	545
OTHER DOMESTICS	MO				3		112	115	141
	YR				25		354	379	490
GRAND TOTAL	MO	456,391	2,061	1,015	4,307	8,832	12,661	485,267	434,655
	YR	2,073,320	7,799	3,729	25,094	43,337	57,761	2,211,040	2,006,161
1987 YR to DATE		1,890,959	281	3,540	16,671	42,818	51,892		

NOTE: Subaru sales of 2 units included in Class 3 Grand Total and also in 1988 monthly grand total. Sales of 9 Subarus included in year-to-date 1988 Class 3 total and year-to-date 1988 Grand Total. Sales of 142 Subarus included in 1987 Class 3 and 839 in 1987 Grand Total.
Class 1-3 sales data reported by individual manufacturers; Class 4-8 data reported by Motor Vehicle Manufacturers Association.

Ford upgrades trucks

Brake, tire gains for '89 Kentucky units

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

ANAHEIM, Calif. — All 1989 F, B and L-series trucks produced at the Ford Kentucky Truck plant will have automatic slack adjuster belts and tubeless radial tires as standard equipment.

Automatic slack adjusters are in production and tubeless radials will come on line this summer, officials of Ford truck operations told a press conference at the International Trucking Show here. Both features already are standard on Ford Cargo models.

"We expect these features to deliver improved safety and performance," said Thomas D. Baughman, manager of chassis design engineering. "We are encouraged by our experience with Cargo and two years of testing for the automatic slack adjuster, including severe off-road testing and typical heavy-duty truck cycles."

Automatic adjusters help reduce the frequency and the difficulty of maintenance in addition to adding to brake life and safety. One or more brakes out of adjustment is the most frequent reason for trucking safety citations by state and federal agencies, he said.

Baughman said that Ford's use of tubeless radials on all tractors built at the Kentucky plant will make the vehicles easier to handle, thereby improving safety by reducing driver fatigue.

Fuel-economy experts will advise Ford heavy-duty and Caterpillar customers on how to get more miles to the gallon from their over-the-road Ford Class 8 trucks.

Jeff Kahn, Ford heavy-truck marketing manager, said "the specialists will consult on a wide range of fuel-economy-related issues, which typically represent about 30 percent of a heavy truck's operating costs."

Areas to be covered include the advantages and tradeoffs involved in "gear fast, run slow" strategy and how the concept applies to specific Caterpillar engines and Ford trucks. Drivetrain specifications, tire selection and the role of aerodynamics in fuel efficiency also will be covered.

PACCAR Leasing posts record revenues
PACCAR Leasing Corp., Bellevue, Wash., had record sales of more than $80 million in calendar 1987, up from $77 million the year before. Its 100 independently-owned locations leased or rented a fleet of more than 4,100 Kenworth and Peterbilt models, expanded in 1988 to include new medium-duty models.

Freightliner boss cites benefits of fewer but better suppliers

ANAHEIM, Calif. — The medium- and heavy-truck industry will move to so-called "tier 1" suppliers just as the automotive industry has done.

Peter E. Rupp, chairman of Daimler-Benz of North America Holding Company Inc. and Freightliner Corp., based the prediction partly on changes at his own company.

"We have reduced our total number of suppliers by 25 percent," Rupp told the third annual Motor Equipment Manufacturers/Heavy Duty Manufacturers Association meeting here. "The good news is I sincerely believe those suppliers who are on our vendor list now enjoy a greater sense of security than they did before."

Rupp said the "vastly improved vendor quality has been a prime contributor to a dramatic improvement in our operations."

Freightliner cut its man-hours per truck produced by a high margin, quadrupled its inventory turn rate, reduced its days' supply of material by more than 75 percent and nearly doubled its plant capacity utilization, he added.

He said the company also was able to eliminate many unnecessary options. For example, it cut more than 33 percent of its engine options. "We continue to make obscure options available, but at a price, and we don't publish them any longer in our data books," Rupp said.

He predicted that, despite changes, vendors will continue to play an important role in the industry's future.

"Even if further rationalization of truck manufacturers in the United States takes place, as I firmly expect it will, I stand here to proclaim that some of the studies that are floating around our industry and were conducted by learned institutions and consultants are wrong in stating a dramatic demise in the supplier industry, even its extinction.

"Original-equipment suppliers will have a renaissance, not a demise, if we find the working formula of optimizing our interests for what I call the 'totality of excellence,'" Rupp said. "Vertical integration is not the panacea for our industry."

Conference targets auto electronics

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Just about everybody knows electronics comprise one of the fastest-growing automotive areas, but it's nice to see someone put his arms around that growth and attach some numbers to it.

Robert J. Eaton, General Motors vice president and group executive — technical staffs group, did just that as he spoke of Convergence, an approaching biennial electronics conference/exposition centering on automotive applications.

As the event's general chairman, Eaton put it this way: "By the turn of the century, electronics for all uses will be the world's second-largest industry, second only to agriculture. The automotive electronics industry alone is expected to grow by the mid-1990s to $35 billion in annual sales from $15 billion in 1987. The electronic content per vehicle, now at $500, could more than triple by 1995."

As one example of strong growth, Eaton cited in-car telephones. He said there are 1.1 million now, up from 250,000 in 1985.

Eaton said Convergence '88, the International Congress on Transportation Electronics to be held at the Hyatt Regency here Oct. 17-18, will identify trends in electronics and emerging technologies.

Some 1,500 engineers and researchers from all over the world will focus on the meeting's theme, "System Integration, Key to Reliability, Flexibility and Cost Effectiveness." Presentations and exhibits will include such areas as traction control, systems for traffic management and guidance and powertrain and chassis control.

"The vehicle of the future will depend on systems integration in ways we are just beginning to understand," Eaton said. "Convergence will explore the ways these and other electronic devices will change where, how and what we drive in the future."

Two keynote speakers are on the agenda. They are Robert A. Lutz, Chrysler Motors president of operations, and Peter E. Rupp, chairman of Freightliner Corp. Robert C. Stempel, GM president, will speak at the conference banquet.

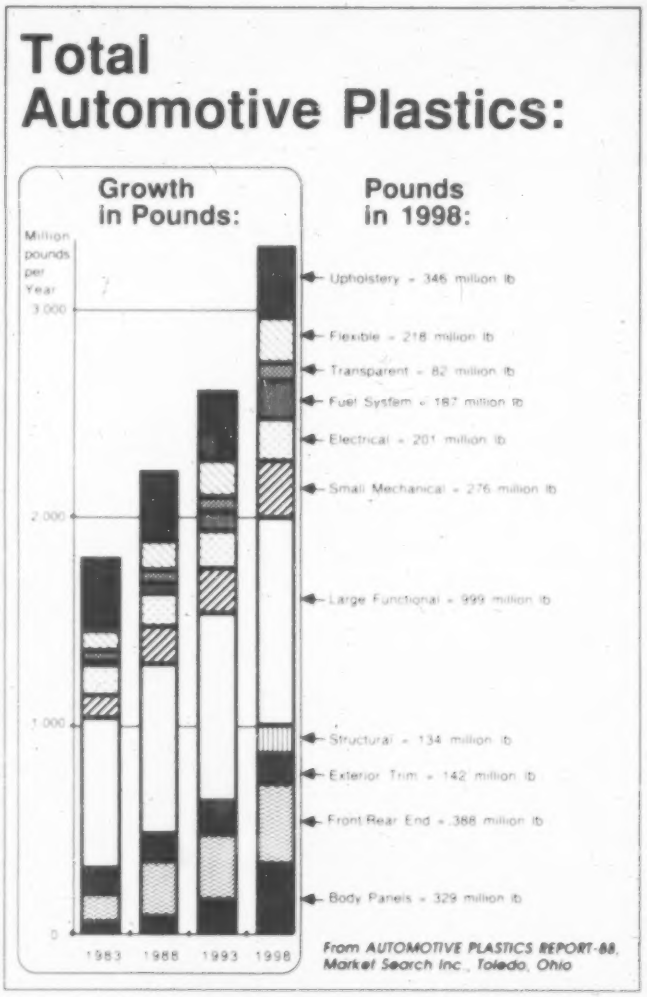
Among session topics are Trilby, GM's long-range research project; Project Alpha, Ford Motor Co.'s high-technology program; and Japan's integrated-vehicle project.

Also due for discussion are such topics as microsensors, multiplex systems, collision avoidance, air bags and navigation.

On the opening day of the meeting, a panel will discuss significant system issues.

The panel, to be moderated by Trevor O. Jones, president of International Development Corp., is expected to include Hermann Scholl, chairman and president, Robert Bosch Corp.; Jerome G. Rivard, vice president and group executive, Allied-Signal Inc.; Nagayuki Marumo, managing director, research and development, Nissan Motor Co.; Ulrich Seiffert, director, component development, Volkswagen AG; and Stuart M. Frey, vice president for technical affairs, Ford Motor Co.

Sponsors of Convergence include SAE and the Institute of Electrical and Electronics Engineers.



50% rise in plastics seen in '98 vehicles

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

TOLEDO, Ohio — A new study predicts that the use of plastics in cars and light trucks made in the United States and Canada will grow to 3.3 billion pounds in 1998 from 2.2 billion pounds this year.

In its ninth annual multiclient study, Market Search Inc. said growth during that 10-year span will be widespread and steady, but some growth areas will surprise some industry watchers.

Polyethylene gas tanks will see the greatest increase of all automotive plastics applications, said James Best, who heads the organization.

"Successful performance demonstrated in millions of tanks in Europe now has been replicated by Volkswagen and Ford Motor Co. in the United States. That experience has overcome initial product liability concerns," he said.

The Ford Pinto of the 1970s was plagued with fires, and the company in 1980 stood trial in Indiana for reckless homicide because of a fire in which three young women died. Ford was not convicted in that jury trial, but one aftereffect was a corporate reluctance to use plastic tanks and "burn up the evidence," in the words of one engineer.

Between now and 1998, the annual use of polyethylene in the tank application will increase by more than 113 million pounds, Market Search said.

Light-truck bodies and even frames will create an entirely new opportunity, consuming at least 100 million pounds per year by 1998, Best said.

The General Motors APV van, with its fiberglass-reinforced thermoset polyester body and urethane fenders, will account for around 64 million pounds per year in 10 years, the study said.

Other exceptional growth opportunities described in the study include fenders in thermoplastics and urethanes consuming 43 million pounds per year by 1998, intake manifolds in thermosets and thermoplastics offering a new market for 12 million pounds per year and composite springs with a dramatic increase to 12 million pounds per year.

"Bumper and energy absorber systems also are expected to show major growth," according to Automotive Plastics Report-88.

The study, which can be purchased for $1,995, identifies 126 specific applications in which plastics consumption will grow by at least 1 million pounds per year over the next decade. Those areas of application are described in detail in the 773 pages of new material in the report. Tables detail the projections, and charts within sections indicate trends.

Steel comeback cited

Technology helps industry show a profit

WASHINGTON — Steel, the material of choice for the auto industry for generations, is battered but advanced technology is helping it make a comeback.

The improving outlook comes after steel lost considerable ground to plastics and aluminum.

And it comes even as leaders in plastics organizations and companies make predictions of further dramatic growth for their materials in the years ahead.

Steel executives attending the annual meeting of their industry's leading trade association said a recovery is firm, is spread through most facets of the business and is growing stronger.

"Steel is emerging again as an industrial material of primary importance to the resurgence of the manufacturing sector," said David H. Hoag, LTV Steel president, in remarks to a press gathering during the 1988 general meeting of the American Iron and Steel Institute here.

In 1987, the American steel industry collectively had its first profit since 1981 when it earned $1.7 billion. The iron and steel group said the industry's net income was $1.0 billion in 1987 compared with a net loss of $4.1 billion in 1986.

Hoag said steel is competing successfully against aluminum and plastic for important automotive applications.

"Steel is being appreciated for its versatility, strength, increasing quality and stability of price when compared to other materials," he said.

Major American steel makers, Hoag said, are developing new products that allow manufacturers to reduce their total production costs and to "enhance their profitability in the face of global competition."

Hoag attributed customers' renewed interest in the metal to the steel industry's avowed dedication to reaching higher and more consistent levels of product quality control and to investments in advanced steel making and finishing technologies.

He also cited new steel making technology for part of the material's resurgence.

For example, he said the new ultra-low carbon steels, produced by the vacuum decarburization process, are growing in popularity because improved forming characteristics enable automakers to consolidate parts — to form more complex and intricate parts without interim assembly operations.

Ultra-low carbon steels also are the foundation of bake-hardenable paint-baking processes for auto and appliance makers.

Electrolytically galvanized steel, which resists rust, benefits automakers by permitting them to provide extended no-rust warranties, Hoag said.

Production cost savings of $45 per car could be obtained if automakers adopted pre-primed steel, he said.

"Complete elimination of both priming and top-coating operations could save from three to seven times that much," Hoag said.

LTV, a subsidiary of LTV Corp., is a producer of specialty steels such as stainless steel.

AUTOMOTIVE NEWS ARTHUR FLAX

Student engineers race clock, each other in SAE event

Cornell entry captures top prize in SAE college design program

SOUTHFIELD, Mich. — Engineers seldom are charged with the responsibility for a complete vehicle from design to delivery. One result: A long time may pass before problems that crop up are brought to the attention of the designers.

But in the SAE's Formula SAE program each year, student engineers have to design and build a complete racing car, maintain it and sell its virtues to judges.

The rules of Formula SAE 1988 called for students to design a prototype car that was low in cost, easy to maintain and reliable.

The car, if produced in a run of 1,000 units, would be priced at $6,000 with a market of weekend competitors in autocross competitions — a race against time, typically held through a temporary course set up in a parking lot.

Students were judged on design and performance of the cars against other competitors.

Cornell University, Ithaca, N.Y., won with a car that faculty adviser John L. Lumley called conservative in design.

Other cars sported such features as fuel-injected and turbocharged engines, but the comparatively simple Cornell entry beat them.

Lumley said Cornell team members were all automobile enthusiasts with mechanical backgrounds. But, he added, the team further developed those skills in the course of the project.

Although computers were used in the design process, much of the final design — determining where components fit best or which layout worked best — was the result of trial and error, Lumley said.